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Civil Servants, Ministers, Parliament & Public

One Indivisible Whole

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Administrative Relations in Planning

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Barkat Narain

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Concerning Ministers

Paul H. Appleby

THAT the final morality of administrative and executive personnel serving a democratic government is in their subordination to political heads of Ministries and Government is thoroughly understood here as in other democratic nations. There is no reason at all to believe that the Government here cannot get done through its bureaucracy whatever the Government finds it really important to direct to be done. But the understanding by Ministers and Cabinets of their proper roles and particularly their roles as administrative leaders, is by no means equally well advanced. This is not surprising, and the same thing is true to some extent in governments with longer histories. It is rather inevitable that in any government some Ministers will be relatively amateurs in operational responsibility. Parliamentary experience and ability cannot of themselves ensure this other kind of ability, either.

India has some peculiar difficulties in this respect. It is still making the extremely difficult transition from agitational activity to responsible operational activity. There are not many institutions in India to provide operational training. And in any case, the programmatic necessities of the Government of India are such that the governmental organization must be a large and intricate one, and few persons coming to ministerial posts can confidently be counted upon to show many of the abilities needed there.

In view of these considerations, I hope I may be pardoned

This memorandum was recorded by Mr. Appleby at the close of his second visit to India, during which he had discussions with Ministers and officials in a number of the State Governments as well the Central Government.

if I offer some rather general suggestions to Ministers and those who may become Ministers.

Ministers have two rather different roles. In one of these, as members of the Cabinet, they share in the formulation of general governmental policy. For this purpose aside from their general experience in life, their party activity and their membership in Parliament, the contribution they can make must derive from their second role—that as heads of particular Ministries. It is because they have an opportunity to see programmes actually develop and to see administrative problems within their own Ministries that they have any special contributions to make to the Cabinet. And it is this second role of heading a large programmatic operation in which failure or mediocrity is most likely to be demonstrated.

The ablest Minister is one who appreciates, utilizes well, develops and gives general guidance to the operating agency which he heads. The head of any organization has chief responsibility for heightening the morale and increasing the capacities of personnel at all levels below him. If he is merely suspicious and fearful of them he damages their as well as his own performance. If he tries to make too many decisions himself he will make many unwise decisions and deprive himself of the aid and the abilities readily available to him in his own organization. A good head of any organization will expend a considerable part of his energies in upholding his subordinates, defending them from unwarranted and ignorant criticism, and thus encouraging them to their best efforts. When he praises subordinates for the occasional actions he particularly likes, actions of that sort will increase in frequency; whereas if he confines himself to criticising adversely, his subordinates will become fearful of acting, uncertain about how to act, and defensive. Ten measures of praise to one measure of adverse criticism—and the latter so framed as to help and encourage—is a good mixture.

It is always wise for a Minister to be slow to make *particular* decisions especially on the basis of information obtained from irresponsible outside sources. All such information can appropriately be used as occasion for getting more information, and for filing it away in memory as a part of a body of much larger information always in process of being accumulated. But all particular decisions should normally be delegated to subordinates, and these subordinates

should normally be upheld in their actions. The Minister should confine himself to relatively general decisions, and to relatively rare decisions that cannot satisfactorily be made below his level. By and large, the ablest Minister will be he who delegates most and who gives most general guidance to the systematic process by which decisions are reached below him. His most fundamental responsibility, indeed, is for the method by which decisions are reached and for the deploying of personnel for the most satisfactory utilization of their abilities. The ability to work on one's proper level is the test of high competence ; the tendency of the inadequate is to operate on lower levels than those for which they are in fact responsible.

Large and complicated matters can be well handled only by utilizing many persons and many abilities. Ministerial responsibility is first of all for the arrangements by which these many persons and abilities may be most fruitfully utilized. A man who does not learn rather quickly how to do this cannot be a strong Minister.

When one is made a Minister the thing that is conferred upon him is not rank or dignity but an opportunity to use the great resources existing in a Ministry—resources of people, knowledge and skills. The job of a Minister is, in considerable part, a high-level administrative job and is to be approached in terms of developing administrative understanding and competence.

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"It is unhealthy for any body of men to be in a position where they are sheltered from organised analysis. Yet we seem, under modern governments, to take the most special pains to prevent such analysis being made. Administrative methods are so largely a body of secret and unexplored habits that criticism of them must inevitably be, in some degree, ignorant."

—HAROLD J. LASKI
(in *'A Grammar of Politics'*)

“One Indivisible Whole”

[The following observations were made by the *HON'BLE SHRI G. V. MAVALANKAR*—Speaker of the Lok Sabha (House of the People) in the Indian Parliament—in the course of an address to the Conference of the Chairmen of the Public Accounts Committees of all the legislatures in India. He has drawn attention to an aspect of the functioning of Parliamentary Democracy, which is seldom discussed in the literature of Public Administration and could hardly be more ably or authoritatively stated.—*Ed.*]

THOUGH the entire set up for the government of the people is conceived as one whole for the benefit of the people and even though the division of work is also made with that purpose, it is yet unfortunately too true that *the several parts of the administrative machinery have yet to go a long way before there could be perfect understanding and co-operation between the different constituent parts so as to make them as one indivisible whole in outlook, spirit and functions.* It is perhaps inherent in human nature to forget the main purpose and to be individualistic while working with others for the same purpose and towards the same end. That is why we find many times conflicts not only of views but in action also, between the various constituents of the administration. The Legislatures feel that the Executive governments are not properly respecting their wishes. The Executive feel that the Legislatures are interfering too much and hindering their work by raising various issues, points and doubts. The Executive and the Legislatures both feel that the Judiciary is putting a brake on their forward march and all these feel that the auditor is a source of great trouble because he raises various types of objections about the competency or propriety of this or that expenditure. And the point to be noted is that all these feelings are quite *bona fide* and sincere.

That there should be this feeling of mutual inconvenience or irritation towards one another, by the various links of the administration as a whole, is undoubtedly an unfortunate situation. But it is no use and will serve no purpose, if we try to ignore the existence of the situation as a matter of fact. *We have, therefore, to make a conscious effort of getting over the situation by a proper appreciation and understanding of*

the purpose of the entire governmental set up, the spirit that ought to pervade that set up and the fact that all the links ought to go together to make one homogeneous whole. This can be achieved only in course of time and by a realisation that all the various branches are expected to co-operate with each other with an understanding of the difficulties of each, which have to be overcome by mutual help and co-operation. It is not that the duty of one is only to find fault with the other and to show that the fault or defect in the administration is the result of something done or not done by the other. To whomsoever the defect may be attributed, so far as the ordinary citizen is concerned, he has to suffer the consequences ; and he knows no separate departments or branches of administration, but he lays the blame at the doors of the government. The Audit and Accounts Officers as well as Parliamentary Committees of the Legislatures have to function bearing this aspect in mind. Enforcing adherence to rules, though essential, is sometimes likely to be oppressive, if stress is laid on mere adherence to the letter of the rules; there has to be a liberal and human approach. The rules will have to be observed; but their interpretation and enforcement has to be on the basis of service to the common man. The interpretation has to follow the spirit of the rules and not necessarily the letter.

This brings me to an important aspect of the present state of rules of accounting and auditing, etc. It has to be remembered that the basic framework of the present set of rules, whatever they may be—and I am told there are volumes of them—had been made at least more than half a century ago. At that time, the character of the government was different. The government was directed and controlled by foreigners and the State was conceived more as a police state than a welfare one. Beyond attending to law and order, it did not concern itself much with the welfare of the people in every branch of human life. The contentment and the happiness of the people was their concern only to the extent of seeing that the situation did not go to the point of bursting out in revolt against authority. *The present conception of government, apart from the way it is constituted, is that it exists for the welfare of the citizens. That is the pivot on which all interpretation of rules and laws has to revolve.* Observance of the rules on the old fundamentals has been causing an amount of avoidable delays and irritation and

many a time consequent frustration in matters of administration. It is high time, to my mind, that these rules are revised as early as possible ; and though rules will be necessary, when one is concerned with vast administration, they ought not to be so voluminous as to make the observance of rules, a matter for experts only. Their number may be small and they may consist of directives on fundamental principles. *The higher officers have to be left a discretion and latitude instead of there being a rule for every little contingency or situation that may arise. If such detailed rules are to be insisted upon, I do not see why we should have a large number of high grade officers.* The principal objective is to bring about honesty in public expenditure coupled with expedition of business and minimum internal rub or friction.

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Some thousands of years ago the following precepts were laid down for the Egyptian Civil Service :—

“Be courteous and tactful as well as honest and diligent. All your doings are publicly known, and must therefore be Beyond complaint or criticism. Be absolutely impartial. Always give a reason for refusing a plea ; complainants Like a kindly hearing even more than a successful plea. Preserve dignity but avoid inspiring fear. Be an artist in Words, that you may be strong, for the tongue is a Sword....”

—Quoted by Sir Ernest Gowers in
‘The Complete Plain Words’.

Civil Servants, Ministers, Parliament and the Public

The Right Hon. C. R. Attlee

*(We are grateful to the author, and the Editor of the Political
Quarterly, London for permitting us to
reproduce this article—Ed.)*

WHEN I succeeded Mr. Churchill as Prime Minister and returned to the conference at Potsdam, I took with me precisely the same team of civil servants, including even the principal private secretary, as had served my predecessor. This occasioned a lively surprise among our American friends who were accustomed to the American system whereby the leading official advisers of the President and of the members of his Cabinet are usually politically of his and their own colour. The incident brought out forcibly the very special position of the British Civil Service, a position which has developed during the past hundred years as the result of the Trevelyan-Northcote reforms.

I do not think that this remarkable attribute of impartiality in the British Civil Service is sufficiently widely known nor adequately recognized for what it is—one of the strongest bulwarks of democracy. I am often at pains to point this out and did so at a recent conference of Asiatic socialists in Rangoon where I told them, to their surprise, that the same men who had worked out the details of Labour's Transport Act were now, at the behest of a Conservative Government, engaged in pulling it to pieces.

I doubt if this impartiality is sufficiently realized even here at home. There were certainly some people in the Labour Party who doubted whether the civil servants would give fair play to a socialist government, but all doubts disappeared with experience.

In this article I propose to say something of the relationship between the civil servant, the Minister, Parliament, and the public, drawing on what has now become a considerable experience.

The first thing a Minister finds on entering office is that he can depend absolutely on the loyalty of his staff and, on leaving office, he will seldom be able to say what the private political views are even of those with whom he has worked most closely. The second thing that he will discover is that the civil servant is prepared to put up every possible objection to his policy, not from a desire to thwart him, but because it is his duty to see that the Minister understands all the difficulties and dangers of the course which he wishes to adopt. Of course, a weak Minister may give way to this opinion voiced by one so much more experienced than himself. This may be gratifying to the civil servant who likes to run the office himself, regarding the Minister as a necessary evil, but, more usually, the Minister who takes this line of least resistance will have forfeited the respect of his staff and, if the Prime Minister is doing his job, will forfeit his office. The strong Minister, on the other hand, will argue with his advisers refuting, if he can, their arguments and seeking to persuade them of the validity of his point of view. After a reasonable period of discussion, he will say: "Well, this is my policy, I don't want to argue it any more. Now let us consider how best to implement it." He will then find the civil servant doing his utmost to help and throwing himself into the work with enthusiasm.

I recall, in this regard, a time when I was working with the late Lord Addison, Minister of Agriculture in the second Labour Government, when he was framing the Agricultural Marketing Bill. Sir Arthur Street, an outstanding civil servant, offered a most strenuous opposition to it, but three weeks later one could have got an affiliation order against him as its only begetter.

Civil servants must develop philosophical minds in relation to Ministers. They have to take what is given to them but, in my opinion, they prefer a "difficult" Minister to one who is of no account. They like to have someone who will put up a fight, someone in whom they can have some pride.

The civil servant in the higher ranks has not only a long personal experience, but also has that mysterious tradition of the office wherein is somehow embalmed the wisdom of past generations. Of course, sometimes it is necessary to react violently against the tradition which was formed for a different state of society.

I suppose that a good departmental Minister is born not made. There are people who somehow manage to weld the whole of the department into a devoted team. Two men, in my experience, had this gift of inspiring their officials, from the highest to the lowest, in an exceptional degree—Lord Addison and Ernest Bevin.

Lord Addison—or Dr. Addison as he then was—managed to get through the House of Commons, although Labour was in a minority, several important Bills. I recall, in particular, the Agricultural Marketing Bill. I remember how he called together the whole of the marketing staff and discussed his proposals with them. Even the most junior was encouraged to make suggestions. In consequence, he got the whole of the department enthusiastically behind him. He had the gift of persuasion which he carried also to the House of Commons where he got not only his own supporters on the committee but eventually his political opponents working as members of a team trying simply to do a good job of work.

It is well known how Ernest Bevin, a man of a very different background from most of the men of the Foreign Service, got not only the respect but the affection of all his staff—from ambassadors to messengers. This was partly due to the fact that he took such pains to see that everyone had a square deal. Every official felt that Ernest Bevin had an interest in him.

The good civil servant studies his Minister's ways and saves him trouble. Some Ministers like to read everything for themselves; others have but a slight appetite for the written word and like what they do read to be predigested. Some like to do their work by personal contact; others are better as correspondents. Some do not know how to concentrate on essentials; others are caught out by lack of attention to detail.

A particular relationship is that between the Minister and his official private secretary. The latter is generally comparatively junior. Appointment to the private office usually means that he is regarded as promising. I always compare this to the appointment of a regimental officer to the staff. Certainly a young man chosen for the Prime Minister's secretariat may congratulate himself on having taken a step up. I have had many private secretaries—all of them very good—yet the post is exacting.

The secretary needs great tact, firstly, in dealing with the Minister and, secondly, in relation to the senior civil servants with whom he is brought into contact. The secretary must study the idiosyncrasies of his master and learn how tactfully to prevent him making a blunder. He must know how to help him, for Ministers differ very much in their methods of work. He is, too, brought into contact with the Minister's home and family. Here again tact may be required.

I should think that it must be very difficult to switch suddenly after a change of government from serving an adherent of one party to being the helper of a member of another, but I have known private secretaries who have made the transition without apparent difficulty and who have served blue and red with equal loyalty.

The relationship of the high-up civil servant and the junior Minister is sometimes difficult. In the absence of the Minister, the Permanent Secretary considers himself in charge—as indeed he is—but the Under-Secretary is a member of the Government and, in particular, is a politician and a member of Parliament. Although new to office and perhaps somewhat raw, he is better versed in some matters than the civil servant. This naturally leads on to the relationship of the civil servant to Parliament of which more anon, but Sir William Harcourt's famous dictum, "The Minister exists to tell the civil servant what the public won't stand", is always to be borne in mind.

It has to be remembered that the Under-Secretary of to-day is perhaps the Cabinet Minister of to-morrow. I have known instances in the past where the permanent officials used to treat the Under-Secretary as of very little account. This is not a wise thing to do, for the young Minister must be trained and given responsibility if he is to grow up. Besides he may be the Minister of the future and a man of influence.

Every Minister naturally wants to get hold of the ablest civil servant for the headship of his department. If he is a junior departmental Minister he should look at any gift horse presented to him by the Permanent Secretary to the Treasury very narrowly. He would be wise to consult his colleague under whom the postulant has served. He may, of course, be a brilliant and rising young man but, quite likely, he is a failure who is being passed on to the less experienced pending his welcome retirement.

On the other hand, a Minister should not be selfish. If there is a brilliant man coming on, he should not stand in the way of his promotion and transfer to another department, for the good of the whole must come first.

I was once asked what was the function of the civil servant in relation to the House of Commons. I replied that he sat in a dark seat under the gallery and listened to his Minister dropping bricks. But this is only part of the truth. The civil servant has to keep an eye on the House of Commons all the time.

I always consider that question time in the House is one of the finest examples of real democracy. One questioner may ask about world-shaking events, while another will ask why Mrs. Smith of 5 Slum Alley, Coketown, was refused public assistance, or why the Post Office at Little Pedlington was closed last Friday. The effect of questions to the Minister and still more questions asked publicly in the House, is to keep the whole of the Civil Service on their toes. It is very seldom that any British civil servant is accused of rudeness or arrogance of the kind that is found sometimes in the *petit fonctionnaire* in other countries. At the time of writing the public mind is somewhat exercised over the Crichel Down affair. Undoubtedly, there was here a case where some civil servants failed to live up to the high tradition, but it should not be taken as typical. Indeed, the very fact of the interest aroused by this instance emphasized how exceptional it was. Complaint of arrogance or rudeness can always be made to the local member of Parliament. I believe that this is thoroughly salutary though it has a less useful side. It may induce in the civil servant a certain hesitation and nervousness in dealing with affairs. It may also lead to an over-centralization. This is due to the Permanent Secretary feeling too strongly the need for not embarrassing his Minister.

When I became Postmaster-General, I found what I considered to be an overcentralization in that office. Everything was channelled through the Permanent Secretary, Sir George Murray, and though this was partly due to the somewhat autocratic habit of mind of that distinguished public servant, it was also due to the fact that any minor mistake in the widespread network of the postal, telephone and telegraph services might be made the subject of a question in the House. As a matter of fact, I took certain steps towards decentraliza-

tion and to a system of public relations. I might add that it was this fear of the effect on administration of detailed day-to-day parliamentary supervision that was a factor in setting up public boards in nationalized industries instead of following the Post Office precedent.

A civil servant should rarely, if ever, be mentioned by name in the House. Everything that he does is the act of the Minister and it is the duty of the Minister to defend his servants and to take full responsibility.

Here comes in the need for Parliamentary experience. A Minister who has been long in the House understands its temper and what it will and will not take. Furthermore, he understands just what are the points on which his party feels strongly. This knowledge is necessarily outside the range of the official. Thus a neat and tidy scheme put up by a devoted civil servant may be technically correct, but it may not be acceptable to the House of Commons.

An example occurred when I was working with the late Lord Addison. A Bill was put up by a civil servant. As we were a minority government we expected to have difficulty in getting our legislation through. The ingenious official drafted a Bill with a minimum number of clauses on the ground that this would give few opportunities for long discussions on "Clause stand part". All the meat of the Bill was put into schedules. I had to point out that nothing annoyed members more than a Bill which was obscure and meaningless without constant reference to schedules. I redrafted it to make it simple and intelligible and, despite a larger number of clauses, it went through.

Equally, the Minister is more in touch with the ordinary man and woman than the civil servant. Something which seems quite reasonable to the middle-class professional may not go down with working people. I always found the late George Tomlinson a good touchstone in these matters. I would say: "Well, what do you think of this, George?" He would answer: "It looks all right, but I've been trying to persuade my missus about it for the last three weeks and I can't convince her." It is the business of the Minister to bring in the common touch.

I expect that in his heart of hearts the civil servant thinks of Parliament as a necessary nuisance. He is liable to

be called off from what he regards as more important work to search out the answer to some question which seems to him of little importance. The plan embodied in a Bill to which he has given so much work is likely to be altered in committee, probably, in his view, for the worse, while he is likely to waste a lot of time in the precincts of the House waiting for business which, after all, does not come on at the expected time. He may prepare an admirable note for his Minister on an amendment which is not called. Worse still, his Minister may have failed to understand it and may suffer humiliation at the hands of the Opposition while he sits impotently by. It may be, too, that, despite all his care in arming himself with every possible point of information, someone asks for some particular figures which he has not got, to the disgust of the agitated Parliamentary Private Secretary whom his Minister has despatched to seek light from "under the gallery". Sometimes, he has a sweet revenge when the persistent interlocutor of to-day is the Minister of yesterday and he is able to tell his Minister that action now so roundly condemned was in fact the work of that very man.

The civil servant, in dealing with the House, will find an invaluable assistant in the Parliamentary Private Secretary if he is worth his salt. He can often persuade a member to withdraw an awkward question or to arrange for a question to be put which will enable the Minister to show himself in a favourable light. The P.P.S. also knows what is going on in the House and can give timely warning that business which was thought to be going to take an hour is unlikely to last more than ten minutes, thus enabling the civil servant to avoid the disgrace of having his Minister absent when he should be in the House.

The civil servant soon learns that sufferance is the badge of all his tribe. He learns to expect more kicks than ha'pence. For some reason the press, for the most part, tend to regard him either as an idle parasite or as a meddling busybody. The first conception is no doubt a hangover from an earlier age when the happy beneficiaries of the patronage system fledted the time merrily, but even to-day he is often thought of as a consumer of many cups of tea, enjoying a sheltered life. A certain type of business man is prone to regard the civil servant as someone who is battenning on the community. He is one of "a horde of officials". All officials move in hordes. If he were doing precisely similar work for the business man he would become "a valuable member of my staff".

The civil servant must never defend himself publicly. That is left to his Minister, but if the latter does it, the journalist says: "Of course, he has to defend his subordinates." Nowadays the institution of public relations officers has done something to mitigate this hostility to officials, especially since the extension of Governmental activity has brought so many more in contact with officials who, generally, are both courteous and helpful. Here and there, as is inevitable, you do find the "jack in office", but he is a rare bird.

When I was Postmaster-General, there was then a good deal of criticism of postal officials in the press and every little mistake was publicized, but later when I was able to arrange for some advertising of the telephone in the press there was a magical change.

There is one matter which causes some difficulty. Formerly, with few exceptions, the higher ranks of the Civil Service were filled by arts graduates. The specialist in science or technology was very rare, but nowadays progress of scientific inventions has meant that a different type of worker is required. But the competition for first-class scientific minds is intense and the ordinary Civil Service rates of pay compare unfavourably with what is offered in private industry. This inevitably sets up a strain in the administrative machine. The same difficulty may occur in relation to technicians or people from the world of business. In war the difficulty hardly arises but in peace-time it is very real and has not yet been solved.

I have said little here about the lower grades of the Civil Service though much of what I have said applies to them as much as to the administrative class. I am sure that some promotion is desirable as a stimulus. The Post Office sets a good example here for there are many instances of telegraph boys eventually arriving at positions of great importance. This, however, is part of the wider problems of recruitment and organization with which it is not my purpose to deal.

In general, the civil servant must be content with anonymity and obscurity until, in due course, his name appears in the higher categories of the birthday honours. Perhaps, after his retirement, he may become widely known. Every now and again there appears in the ranks of the Civil Service a bright star like Lord Waverley who shines brilliantly in a wider

firmament but, for the most part, the civil servant must rest content with the consciousness of good work honestly done.

He may, at all events, feel that however modest his own achievements, he forms part of a service unequalled in all the world—one of the causes of a just pride in his fellow countrymen.

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“Men must be taught as if you taught them not, and things unknown proposed as things forgot.”

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“If a training scheme provided acceptable candidates, no problem about their employment would arise. If, however, they proved unacceptable, either the initial selection or the system of training would have been at fault.”

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“Americans or Britishers, business men or Civil Servants, soldiers, or scientists, in this field we are all dealing with the same material—human nature. As far as my experience goes it reacts in the same way to the same stimuli whatever the type of organisation in which it happens to be employed.”

—*From ‘Training Managers
in the Public Services’*

Health Programme in the Community Project Areas

Barkat Narain

THE object of the Community Development Programme is to raise the standard of living of the people of the project areas. The major emphasis in the Programme is naturally on agricultural development and other measures calculated to improve the economic status of the people. But unless the people are healthy, they cannot enjoy the full benefits of improvement. Moreover, the health of the people determines the volume and quality of the human resources available for the production of goods and services. The true success of the Community Projects will, therefore, depend considerably upon the satisfactory maintenance of the health of the community.

The Community Project Programme was first inaugurated in October 1952 when 55 Community Projects, each covering a population of 2,90,000 and comprising three Blocks, were allocated. Fifty three additional Community Project Blocks were established in October 1953. Six hundred and seven National Extension Service Blocks have also been set up and of these, 132 have been recently converted into Community Project Blocks. Each of the Community Project Blocks and the NES Blocks allocated since 1953 covers a population of about 66,000 spread over about 100 villages.

In the NES Blocks the effort is mainly concentrated on agriculture and animal husbandry, but in the project areas the truly multi-purpose programme aims at simultaneous development in a variety of fields such as agriculture, animal husbandry, health, social education, cottage industries and the like.

The existing medical and health facilities for the rural population are singularly inadequate, as is also the supply of trained personnel for medical and public health work. In the field of environmental sanitation, conditions are deplorable, particularly in regard to water supply and disposal of human excreta. Most of the epidemic diseases have their

origin in rural areas and some 2,500,000 persons die every year in India from filth-borne diseases, like cholera, dysentery, diarrhoea and typhoid. Malaria has also been taking a heavy toll.

An integrated programme for the development of health services in the Community Project areas has, therefore, been launched. It combines both curative and preventive measures, with particular emphasis on the prevention of disease. Fortunately, a great deal of sickness in rural areas is preventable. The programme mainly comprises (i) the establishment of primary health centres, (ii) the provision of safe water for drinking, and (iii) measures for rural sanitation. It is further proposed to establish Maternity and Child Welfare centres in the backward areas, each Centre serving a population of about 60,000.

In the NES Blocks, provision for the development of medical and health facilities is made only in the form of grants-in-aid to the existing medical institutions and for local works, i.e. drainage, sanitation, etc. Efforts are being made to provide medical and health facilities in most of the NES Blocks which will be allocated in the Second Five Year Plan. The Fourth Development Commissioners' Conference which recently met at Simla unanimously recommended that medical and health services should be provided in the NES Blocks.

The pace of development of public health services was slow in the early stages of the programme but is now gaining momentum. Most of the difficulties have been overcome by now in many States, but some States have still to surmount them. Some of the major obstacles impeding quick implementation of the programme are briefly discussed here.

Lack of Co-ordination : The most important factor which hampered progress in the beginning in the majority of the States, was the lack of adequate co-ordination between the Departments of Health and Development. The Development Departments felt that the responsibility for provision of health services in Community Projects rested primarily with them. Health services in community development areas were developed in isolation from the normal health services and programmes of the States. In some of the States recruitment of medical and health personnel was made by the Development Department—the advertisements appearing in the newspapers stated that the *medical officers were required by the*

Development Commissioner for the community development areas. This practice persisted even after the issue of a letter by the Community Projects Administration in October, 1953, clarifying that the function of the Development Commissioners was not to run independent services of their own, but to co-ordinate the activities of various departments for initiating and executing an integrated programme of community development. The Health Departments resented being kept out of the picture in the project areas, and at the conference of Health Secretaries convened by the Central Ministry of Health on the 21st and 22nd April, 1954, many Health Secretaries gave strong expression to this feeling. The difficulty has now been cleared up at the State level ; though it persists in some States at the Project and Block levels. Some Project Executive Officers and Block Development Officers still insist on issuing operational instructions to the technical staff concerned with the health programme.

There is also a lack of full co-ordination between the Medical Department and the Department of Public Health in those States which have not yet effected an integration of their curative and preventive services. In such States, there is a Director of Medical Services or a Surgeon-General who is the administrative head of the curative services and a separate Director of Public Health who is responsible for the preventive services. The training of nurses, midwives, etc., recruited to the preventive services, has to be arranged through the Director of Medical Services or the Surgeon-General, as the case may be. The Health Survey and Development Committee appointed by the Government of India in 1944 had recommended that there should be an integration of the curative and preventive services in all the States and that the Administrative Medical Officer should possess public health qualifications and experience. Unfortunately, some States did not accept the recommendations and many of those who did, have not been able to appoint an Administrative Medical Officer with public health qualifications and experience. Consequently, the preventive services, particularly in the field of environmental sanitation, have not received the attention they deserve. It may be interesting to note that in one of the States, an officer of the Indian Administrative Service held the appointment of the Director of Health Services for over two years and it was only recently that a superannuated Civil Surgeon replaced him. In another State a layman has been

appointed as an Honorary Adviser for rural sanitation.

Recruitment of Personnel and Training : To begin with, there was considerable difficulty in persuading doctors to go to the rural areas. Their reluctance was mainly due to low scales of salaries, the very limited scope for private practice and the lack of adequate accommodation. The majority of States have succeeded in removing these difficulties by offering adequate salary, non-practising and rural allowances, higher initial start in the existing pay scales and suitable accommodation. One State has recently introduced an interesting innovation by issuing an order that all medical officers in the State service shall, after an initial spell of two years in an urban hospital, serve for a period of three years in the rural areas. Every Medical Officer in the State will thus take his turn and provide essential services to the people in the rural areas.

With regard to staff for maternity and child welfare work, *i.e.* health visitors and midwives, there is the additional difficulty of the lack of trained personnel. To meet this shortage, the Central Ministry of Health have sponsored many training schemes, offering substantial financial assistance and stipends to the trainees. Some States have taken advantage of these facilities while others are still considering the matter, even though these schemes started nearly 18 months ago. Evidently, the sense of urgency so essential for carrying out the integrated programme of health services is not uniformly felt in all the States. Despite the difficulty in recruiting qualified staff, some State Governments discourage applicants from outside and restrict recruitment to their own residents.

Environmental Sanitation : The position has been steadily improving. Here the supply of drinking water takes precedence over other requirements. Water has always been a primary necessity of life but it is only now that people have begun to realise that safe water helps appreciably to reduce the incidence of gastro-intestinal diseases like typhoid, dysentery, cholera, etc. For improving the supply of good water, many States have set up Public Health Engineering Organisations, though not always under the Departments of Health. Some States have a separate Well-Sinking Department but their engineers do not always appreciate the importance of proper sanitary wells and that it is desirable to get the

site and blue-prints approved by the District Health Officer. Notwithstanding these difficulties, the villagers have shown great eagerness to be assured of a safe water supply and local contributions in the form of money, material and labour are more readily offered for this purpose. The Government of India have come forward with schemes of financial assistance for the improvement of water supply both in the urban and rural areas. A sum of Rs. 12 crores has been earmarked for the urban area and Rs. 6 crores for the rural area. The latter will be an out-right grant.

With regard to hygienic disposal of human excreta the response has been rather poor, mainly because those responsible for the development of this aspect of the programme (other than health staff) do not fully appreciate its importance. The training of Village Level Workers, Block Development Officers and Social Education Organizers in the field of public health requires to be intensified. The Village Level Worker who is the key man for enlightening the people how the programme can meet their real needs and the Social Education Organizer who can educate the villagers in respect of the social evils of soil pollution and water contamination, should be thoroughly orientated in their duties. The authorities (other than the Departments of Health) in many States are mixing up the question of the disposal of human excreta with its manurial value. At this early phase when all-out efforts are needed to get the people's co-operation in matters of rural sanitation, the emphasis on the manurial value of human excreta will obviously hinder the progress of the programme. After all, the total value as a manure is likely to be insignificant as compared with the benefits which would accrue from the prevention of diseases.

Health Education can also help considerably in the improvement of environmental sanitation. It has now been recommended that all public institutions, especially Primary Schools, should be provided with sanitary latrines and urinals. The authorities responsible for drawing up plans of the rural schools seldom provide for a latrine.

People's participation is now readily forthcoming for the construction of dispensaries, health centres, maternity wards and labour rooms. The villagers who had so far been denied elementary treatment for ordinary diseases, have

welcomed the programme for setting up dispensaries and the provision of maternity aid.

To sum up, the successful execution of health programme in Community Projects demands full co-ordination between the Development Department and other technical departments at the State, District and Block level. Further all the medical and health services in the area must be under a unified administrative control. Many States have attained a good measure of co-ordination, co-operation and unified administrative control. Some States still have to effect these changes. The quality and magnitude of health services to be provided in community projects will, in the last analysis, depend upon the extent to which the various arms of the administration pull together for the attainment of the common goal.

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“A democracy cannot afford to lose faith in the people’s capacity to organize their own life for progress. Losing such faith a democracy would lose its hope of survival. And yet the growing emphasis on official action in some States raises by no means unreasonable doubts about this very faith. Impatience with the working of one institution often leads to the formation of another ad hoc one. As, however, the people are the same in both sets of institutions, the newer bodies show up the same old seams and blots as their newness wears off.....If only all, officials as well as leaders, were to grasp that an active rural democracy is the only instrument of lasting rural regeneration the frequent swings of the pendulum between energetic official action and popular apathy would be avoided.”

D. G. KARVE
(in ‘*Evaluation Report on
Second Year’s Working
of Community Projects*’)

The Structure of Development Administration

U. L. Goswami

WHEN the Community Development Programme was inaugurated in October 1952, it was intended to be a pilot experiment confined to 55 Project areas spread out all over the country and their future rate of expansion was uncertain. It was an experiment in development administration in which "the emphasis was on popular effort organised under the leadership of a specially selected band of officers receiving co-operation from normal official agencies". In these circumstances it was natural that the Development Commissioners who were in charge of implementation of the programme in the States should try to ensure the optimum administrative and other conditions for the success of the experiment. This resulted in a tendency to develop a parallel administrative structure. Quite often the boundaries of Blocks and Projects were drawn without regard to the existing administrative boundaries and the officers in charge of the Projects were made directly responsible to the Development Commissioner and not to the District officer.

As the programme expanded and more and more Blocks came to be taken up it was found that this arrangement was giving rise to certain serious administrative problems. In the first place there was a noticeable tendency for the Development Commissioner to build up a separate Development Department of his own, and the existing Departments of Government, like Agriculture, Animal Husbandry, Education, etc., 'co-operated' only by fits and starts. Secondly, the problem of inspection and supervision of the actual field work was becoming increasingly difficult for the Development Commissioner and his small staff at Headquarters. Thirdly, the speed of execution of the programme was being impeded by lack of delegation of authority to the lower officers and by excessive centralisation. Finally, it was becoming progressively less feasible to ensure the flow of the best technical advice available in the State to the Village Level Worker, particularly in non-agricultural spheres.

The subsequent administrative changes have been directed towards the solution of the problems mentioned above. To ensure co-ordination, it has been found necessary in practically all the States for the Chief Minister to take charge of the programme at the policy level. As the Chairman of the State Development Committee, consisting of his Cabinet colleagues in charge of the various Development Departments of the State, the Chief Minister is able to bring about a co-ordinated and unified approach to the planning and implementation of this programme which affects everyone of the Development Departments in their normal functioning. The arrangement at the top official level is only a reflection of the arrangement at Minister-level and it has been found necessary to entrust the duties at the top official level either to the Chief Secretary himself, or to an officer who, by virtue of his seniority, ability and the normal functions of his office, is in a position to secure the needed co-ordination. This top official, usually designated as the Development Commissioner, has, in turn, to avoid assuming direct departmental responsibility in respect of any department of Government, and has to act merely as the leader of a team consisting of the Heads of the different Development Departments of the Government at the State Headquarters. Whether he is the Chief Secretary himself or an officer of an analogous status, it has been found necessary for him to have full powers to issue orders in the name of the Government.

In all States, other than very small ones, it has become impossible for the Development Commissioner to inspect and supervise the field work sufficiently closely. The need for utilisation of Divisional Commissioners for the purpose of inspection and supervision is making itself increasingly felt. Wherever Commissionerships have not been abolished, these officers are being so utilised. Some difficulties have arisen in States which have a Board of Revenue rather than Divisional Commissioners with regional jurisdiction. It seems likely that even in States with well established Boards some sort of regional distribution of work will sooner or later have to be introduced.

It was soon clear that problems of co-ordination had to be solved not merely at the State Headquarters, but also at the district and sub-divisional levels. In order to make the programme a success, it was necessary that the technical officers

at the district and sub-divisional levels should work together as a team. The obvious course was, therefore, to confer on the Collector at the district level, and on the Sub-Divisional Officer at the sub-divisional level, the kind of coordinational functions which had been conferred on the Development Commissioner at the State level. It was found that this arrangement also facilitated greatly an adequate delegation of powers necessary for the establishment of a quick and elastic system of administration. With these delegations it was no longer necessary for small schemes to be sent up to the State Headquarters for approval with all the consequent delay. The Collector, so long as he did not deviate greatly from the basic pattern of development expenditure communicated from State Headquarters, could be depended upon to sanction the individual schemes involving an expenditure of substantial sums of money. "While there are still some noticeable differences of emphasis and practice", as the Second Evaluation Report points out, "it would not be wrong to say that the Collector is well on the way to becoming the Principal Developmental and Welfare Officer of the District." For a proper functioning of this system it will be desirable to give adequate relief to the Collector on the revenue and general administration side. This has not been done everywhere, although the tendency is to appoint an Additional Collector in most districts. There are still a number of districts which are too large and they are not manageable charges for a single officer entrusted with all these functions. Administrative re-organisation of the districts and sub-divisions will have to be faced in the States sooner or later and the question of providing adequate relief to the Collector will also need early attention particularly in the light of the additional burdens which are being imposed on the Collector as a result of the recent developments in land policy.

At the sub-divisional level it is not universal for the Sub-Divisional Officer to reside within his territorial jurisdiction. Here again, the territorial jurisdiction is itself quite often too large for effective management. This is particularly true of Madras and Andhra where the territorial jurisdiction of the revenue divisional officer was increased after the separation of judiciary from the executive. The size of sub-divisions will have to be reduced in a number of cases if the Sub-Divisional Officer is to discharge effectively his responsi-

ibility in the sphere of development in addition to his duties in respect of revenue and general administration.

When the Collector and the Sub-Divisional Officer were brought into the picture of development administration, some doubts were expressed about the propriety of conferring extension functions on these officers, who had hitherto discharged regulatory and revenue functions exclusively. This point of view was not fully valid because the functions of the Collector and the revenue divisional officer were never entirely regulatory and in course of years a great deal of development functions had come to be grafted on their original regulatory functions. The Collector and the Sub-Divisional Officer were by virtue of their position in the official hierarchy the natural leaders of the official teams at the district and sub-divisional levels and they were also capable of becoming multi-purpose men who were expected to take the lead in the development of the areas entrusted to their charge. It was, therefore, a logical arrangement for them to be brought into the picture and to be made fully responsible for the success or failure of the programme in their respective areas. Although there have been some instances of officers even at these levels employing methods which can hardly be described as educational, by and large, the experiment of entrusting extension functions to them has been justified by the results.

Of late, a body of opinion is growing up in the country in favour of extending the principle of combination of functions, regulatory and developmental, in the same functionary beyond the sub-divisional level. The suggestion now is that the *Tahsildar* or *Mamlatdar* or Circle Officer, as he is variously called in different parts of the country, should be the Block Development Officer, in addition to his normal functions. By the same token, there should be a similar combination of functions at the village level and the existing single-purpose functionaries, like Agricultural Supervisors, Co-operative Inspectors and Revenue Inspectors should be transformed into multi-purpose village level workers by giving them the necessary training. To complete the picture, the *Patwari* (village accountant) should become the Assistant Village Level Worker.

The main considerations in favour of such a combination of functions briefly are :

- (1) economy of expenditure on staff ;

- (2) avoidance of a multiplicity of agencies and establishment of a single line of administration in which the people in the Block do not have to go to more than one functionary for assistance with their problems ; and
- (3) avoidance of all possible friction between the development machinery and the normal executive machinery of the State.

The integrationists point out that they are only carrying to the logical conclusion the accepted principle of transforming the existing machinery of Government into a welfare agency. They urge that the system recommended by them is simple, inexpensive and easily intelligible to the villager.

On the other hand, there are powerful arguments against this combination of functions being carried, at this stage, beyond the sub-divisional level. In brief, the case against integration is as follows :—

- (i) The functions at the Block and village levels, unlike at the district and sub-divisional levels, are not those of co-ordination only, but of direct implementation.
- (ii) Considering the tradition, background and training of the existing functionaries at the Block and the village levels, the combination of functions is likely to result in the extension role of the functionary being adversely affected by the exercise of his regulatory powers.
- (iii) The implementation of the developmental and extension programme will impose on the functionaries at the Block and village levels a load which would make it difficult for these functionaries to combine this work with any other work without detriment to their development and extension work.

The administrative system must conform to the requirements of the basic programme which it is expected to administer. Shri V.T. Krishnamachari, Deputy Chairman, Planning Commission in describing the basic objective of the National Extension Movement has stated as follows :—

“The aim of National Extension Service is not merely to provide for ample food, clothing, shelter, health and recreational facilities in the village. All these are there. But more important than all this material improvement is the realisation that what is required is a change in the mental outlook of the people, instilling in them an ambition for higher standards of life and the will and the determination to work for such standards. This is essentially a human problem : how to change the outlook of the 70 million families living in the countryside, arouse enthusiasm in them for new knowledge and new ways of life and fill them with the ambition and the will to live a better life.”

In assessing the suitability, or otherwise, of any administrative arrangement, we have, therefore, to ask ourselves constantly the question : will the administrative arrangement which we are recommending succeed in bringing about the silent revolution in the mental outlook of our rural population which is the fundamental objective of this great movement? The crux of the question is whether we really believe in the possibility of stimulating such a mental revolution or whether we are merely seeking to improve the condition of the villager, in spite of himself, without producing any change in his mental outlook. Differences in attitude towards particular administrative arrangements probably stem mainly from differences in one's belief about the relative importance of alternative objectives. If the objectives were merely to open up, and physically improve the countryside by construction of roads and erection of schools, hospitals, dispensaries and community recreation centres, there could be no serious objection to the development work, in this restricted sense, being entrusted to the normal revenue functionaries, not merely at the district and sub-divisional levels, but also at all other levels. If, however, we are aiming at a change in the mental outlook of the villager one has to consider whether the existing functionaries at the *taluka* or village levels themselves have such a mental outlook that they may safely be entrusted with the discharge of these new extension functions. Furthermore, there is the question : can the combined load of regulatory and developmental work be carried by the same functionary at these levels without detriment to either sphere of work ?

The danger of combining regulatory and extension func-

tions in the same functionary arises from the constant temptation to resort to the shortcut of "coercion", which has been used so freely in the past, and which even today, on the surface, may seem to produce quicker physical results. Instances often come to notice of securing public contribution in the shape of an unofficial surcharge on land revenue. More often than not, such exactions in the name of people's participation do not even evoke any protests.

Then there is the all important question of load of work. Is the *Tahsildar*, *Mamlatdar* or Circle Officer so lightly worked today that he can take on this additional burden of responsibility of development work, even if his area of jurisdiction is decreased or he is given assistance for looking after the revenue work ? The experience of development work during the last two years in the Community Project and NES areas shows that the Block Development Officer has his hands more than full if he is to do justice to development work alone. This argument applies with greater force to the village level. The Village Level Worker with approximately 1300 families living in the villages included within his charge, has found it fairly tough going. It has to be remembered that he should aim at reaching every family living in these villages and he is expected to inspire, educate and persuade each family to accept its share of responsibility in building the new India by adopting a plan for increased production, increased employment and raising family and village levels of living. It is impossible to combine this work with any other work. Revenue functionaries, both at the Block and at the village level, are quite often called upon to take on abnormal work like census work and work relating to elections. Under any system of complete integration, the tendency will always be to give priority to the normal revenue work and other regulatory work, and then to the other tasks like census and elections which are becoming almost a normal feature of revenue administration : development work will come in as a poor third. One has also to remember that an officer is more likely to be taken to task by his superiors for failure to discharge regulatory and revenue functions than for dereliction of duty on the developmental and extension side. Without clear and separately assigned developmental and extension responsibilities it will always be so easy to find excuses for progress not being faster than it is. India can ill afford the

delay. The people's patience with unfulfilled promises will soon wear thin.

Normally revenue and regulatory administration works best when it is routinised. There is not much scope for dynamism in this kind of work. It works like a machine with mechanical efficiency and also with something of the lifelessness of the machine. Obviously development work cannot be done in the same way particularly when development consists of the process of changing the outlook of 70 million families living in comparative ignorance. The first two years of work has imparted to the *Gram Sevak* (Village Level Worker) and the Block Development Officer a sense of urgency and a sense of service in building the 'New India'. There is a very great danger of that sense being lost altogether in the quicksands of official routine as a result of this desire for integration.

There can obviously be nothing sacrosanct about present integration arrangements stopping at the sub-divisional level and not extending any further. The extent to which this process can be carried will depend a great deal on local circumstances. Local variations are therefore inevitable. The broad consideration which will have to be borne in mind is that the administrative arrangements evolved will have to fulfil the requirements of this dynamic movement. With the growth of a healthy *Panchayat* (village council) system in the villages it will be possible to transfer some of the revenue collection and coercive functions of the officials at the village, and even higher levels, to these bodies. But this is bound to take time. States are taking steps to improve the quality of all their services by improved methods of recruitment and improvement of training facilities. As the quality of officers and the training improve it will become increasingly possible for them to take on the dual role without detriment to either side of the work. Combination of functions, regulatory and developmental, in the same functionary is a bit of an administrative tight rope-walking in the case of all persons. It is a question of degree. But the difficulty is infinitely greater at levels below that of the Sub-Divisional Officer. A time will come when further extension of this principle of integration will not be impossible but there are clear indications that the time is not yet.

In the Second Evaluation Report Professor Karve has sounded a note of warning against a rapid extension of the principle of integration. "The plan is", as Professor Karve points out, "to set free the creative energies of the people so that they may build up through their own efforts and through their own institutions a richer and improving social life. Here the goal is essentially cultural and moral, though it has a physical basis and content. These priorities are so vital to the future of community projects as an instrument of building up of a democratic culture in this country, that any developments in their future planning and in administrative structure which endanger these priorities should be halted without loss of time." The Development Commissioners of all the States in India who met in conference recently were generally of the same opinion.

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"Too often we try to solve human problems with non-human tools and, what is still more extraordinary, in terms of non-human data. We take data from which all human meaning has been deleted and then are surprised to find that we reach conclusions which have no human significance."

—F. J. ROETHLISBERGER
(in *'Management and Morale'*)

The Training of The Indian Administrative Service

S. B. Bapat

IN countries with a political organisation of the federal type it is usual for the Federal Government and the Governments of the constituent units to have separate organised services for the administration of the subjects falling within their respective spheres. In India also there are Central Services to administer the Central subjects, such as Defence, Foreign Affairs, Income Tax, Customs, Posts & Telegraphs, etc.; the officers of these services are exclusively in the employ of the Central Government. The subjects lying within the field of State autonomy such as Land Revenue, Agriculture, Forests, Education, Health and the like are administered by State Services whose officers are exclusively in the employ of the different State Governments. In addition, India also has, in the "All-India Services", a form of personnel organisation perhaps unparalleled except in Pakistan, namely, services common to the Centre and the States—composed of officers who are in the exclusive employ of neither and may at any time be at the disposal of either. One such is the Indian Administrative Service, commonly and conveniently referred to as the I.A.S.

The control and management of such a service is necessarily a joint co-operative affair. The Service is organised in the form of a number of I.A.S. cadres, one for each State. Initial recruitment is made by the Centre on the results of an open competitive examination conducted by the Union Public Service Commission. The officers so recruited are allotted to the different State cadres. The strength of each cadre is so fixed as to include a *reserve* of officers who can be deputed for service under the Central Government for one or more "tenures", of three, four or five years before they return again to the State cadre. This ensures that the Central Government has at its disposal the services of officers with first-hand knowledge and experience of conditions in the States, while the States also have officers who are familiar with

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the policies and programmes of the Central Government. The majority of individual officers have an opportunity of enjoying at least one spell of duty under the Central Government ; many have more than one such spell.

Another distinctive feature of the I.A.S. is that it is a multi-purpose service composed of "generalist administrators" who are expected, from time to time, to hold posts involving a wide variety of duties and functions *e.g.* maintenance of law and order, collection of revenue, regulation of trade, commerce or industry, welfare activities in the field of education, health, labour and development and extension work in agriculture and rural reconstruction.

The method of recruitment combines a written examination of a high standard including a variety of subjects of the candidate's own choice, with a searching "personality test" by an interview board in which the candidate must separately attain a minimum standard. This ensures that the young men recruited to the Service possess not only a high level of intelligence and academic learning but also an adequate measure of the qualities of personality and character, such as discernment, clarity of thought and expression, intellectual integrity, self-confidence, self-possession, breadth of outlook and sense of moral and social values—qualities which must be looked for in persons holding responsible administrative positions in any democratic welfare State.

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The recruitment of basically sound and promising material is, however, only the first step. It is necessary, by carefully designed training, to forge, temper and shape that material into the desired multipurpose instrument of good administration.

In India the traditional approach to the problem of training for the public services has been to "make the man learn the job by doing it" under the supervision of a superior officer. This was essentially the system followed for the training of the Indian Civil Service and it cannot be denied that the system served its purpose well enough in the days when Government was concerned mainly with the collection of revenue and maintenance of law and order, and superior officers could spare the time and energy to pay personal attention to the training and development of the new recruits.

However, even before the Second World War, the higher administrative services in India had begun to feel the pressure of the increasing demands of what were in those days called the "nation-building departments". With the outbreak of the war the position deteriorated rapidly. It can truthfully be said that most of the officers of the Indian Civil Service and the Provincial Civil Services recruited between 1939 and 1947 had to train themselves as best as they could without benefit of any real supervision and guidance from their superiors who were too heavily pre-occupied with other duties. The end of the war brought no change in the situation in this respect. On the contrary, the necessity for continuing economic controls, the problem of giving relief and rehabilitation to millions of displaced persons and the increasing responsibilities assumed by the Central and State Governments in the field of economic development and welfare, have all combined to maintain heavy pressure on the time and energy of the older and experienced officers of all the Services. Even now, young recruits to the I.A.S. can consider themselves lucky if their superior officers are able to devote enough attention to their training.

Fortunately, these difficulties were largely foreseen on the eve of independence when the decision was taken to create the Indian Administrative Service as a successor to the old Indian Civil Service and some fresh thinking was done on the subject of how the new service should be trained. It was realised that though instruction could never be a complete substitute for experience, the right kind of instruction given as a prelude and a preparation might make it easier and quicker to assimilate the subsequent experience.* Without

*Officers recruited to the old Indian Civil Service used to spend at least a year on probation in England, some at the Universities of Oxford or Cambridge and some at the School of Oriental Studies in London. During this period they had to attend lectures on Indian History, Indian Criminal Law and procedure and the appropriate language of the Province to which they had been allotted. For the British recruits, who made up about half the total recruitment every year, this teaching gave some background knowledge of the unknown land in which they were going to serve. For the Indian recruits who constituted the other half, the period of probation in England was primarily intended as a means of acquiring knowledge of western manners and customs and social *savoir-faire*. There was very little in the "training" they received during probation which had any bearing on the job they would have to do as members of the Indian Civil Service.

depreciating in any way the value of "learning on the job" that process could be made more rewarding by furnishing the new recruit with the appropriate equipment before such learning began. A "revised and enlarged" course of basic training was accordingly planned, and it was decided that each year's group of new recruits should be sent as probationers to receive it at a Central institution—the I.A.S. Training School.

III

The generally accepted conception of "training" is a compound of several distinct elements. In one sense, training means the imparting of *knowledge* of facts and their inter-relations—knowledge essentially of a specialised or professional nature ; this is the sense in which the Doctor, the Engineer, the Teacher and the Military Staff Officer are trained. In another sense, training involves the teaching of *techniques* which require the co-ordinated handling of tools and appliances and physical faculties rather than of ideas ; this is the sense in which one speaks of trained artisans and mechanics and athletes and acrobats and soldiers and sailors and airmen. In still another sense, training entails the formation of mental and physical *habit patterns* to ensure that the same stimuli would always produce the same automatic responses ; performing animals in a circus furnish an extreme example, but training of this type is by no means wholly harmful and may indeed play a socially useful part in the creation of disciplined and reliable bodies of men in all walks of life. Finally, and in what is perhaps the most important sense, training implies what the good gardener does to the growing sapling—pruning off the unwanted bits, supporting the weaker limbs, generally giving shape and direction but otherwise leaving the plant free to grow to its full natural stature. While all other aspects of training were duly allowed for, it was this last named aspect which has been most emphasised in the pattern evolved for the basic training of the I.A.S. probationers.

One basic need was to remove from the minds of the new recruits any misconception which may have lingered from the pre-Independence days regarding the proper place and role of the public services in the functioning of Parliamentary Democracy. The officers of the old Indian Civil Service had earned a great deal of prestige and respect for ability, devotion to duty and, by and large, a sincere desire to work

for the good of the people. But that ability and devotion was essentially at the service of an alien authority and the people themselves had little effective voice in deciding what was good for them. Even when the reforms of 1935-37 introduced Ministries responsible to elected legislatures at the Provincial level the main picture was not altered very much, for the most important matters in the provincial sphere were still decided at the discretion or individual judgment of the British Governors, while the Central Government continued to be wholly undemocratic. To the young men of the country looking for a career to choose, the attraction of the Indian Civil Service lay in the power and authority which the officers wielded as agents of the *Masters* rather than in the opportunity to work for the good of the people as the public's *servants*. It was of the utmost importance, therefore, that every probationer in the Indian Administrative Service should realise that he was entering upon a life of *service*—that he would be a servant of the people and not their master ; that, though he would have plenty of scope to assist and advise in the making of policy, all major decisions would be taken by the people's own representatives ; that he would have to implement these decisions with complete loyalty whatever his personal views may be. For a country like India, with a tradition of thousands years of authoritative paternal administration, the transition to Parliamentary Democracy has involved a revolutionary change in the physiology of the body politic. It calls for a radical adjustment of attitude on the part of its operative organs, *viz.* the higher administrative personnel. Special care is therefore taken to give the I.A.S. probationers an understanding of the essence of the Indian Constitution and of the role they are meant to play as officers of an All-India Service operating under that Constitution.

Stress is also laid in the basic training on the formation of the right mental attitude to questions of personal and public conduct. The probationers have to realise that as public servants, they must always maintain, and *show* that they are maintaining, absolute integrity and impartiality and they must voluntarily accept stricter standards of public and private conduct than those expected of an ordinary citizen.

As regards what may be called the "knowledge" aspect of training, the syllabus for the old I.C.S. probationer only covered (i) Indian History, (ii) Indian Criminal Law and Procedure, and (iii) the language of the Province to which he

was allotted. To the training syllabus of the I.A.S. probationers some very significant additions were made :

Besides learning the regional language of the State to which the probationer is allotted—as a deliberate policy, at least half the recruits are sent to serve in States other than their own—he is also taught Hindi, the National Language, if he is not already fully familiar with it.

Modern governments are so intimately concerned with the economic life of the people that a knowledge of the principles of economics has become a necessary tool in the equipment of every responsible administrator. It has been found that only about half of those who secure the highest positions in the competitive examination each year are already familiar with the subject. Economics has, therefore, been added to the syllabus for all recruits. Care is taken in the teaching of this subject to stress the practical application of economic principles with special reference to the conditions in India and the implementation of the Five Year Plans. Considerable benefit is therefore derived even by those who have taken university degrees in economics before recruitment.

An even more important addition was that represented by instruction in the principles of public administration. The system of 'learning by doing' followed in the past did undoubtedly produce a number of able administrators who nearly always did the right thing at the right moment in the right way, but they did not always realise this fact nor could have explained why. In the tough school of experience as much is learnt by successful trial as by disastrous error. Initial basic knowledge of the principles and techniques of public administration and the handling of men and matters should certainly increase the chances of success and minimise the risk of errors. The teaching of these principles and techniques is entrusted to senior officers who have themselves been "through the mill" and can draw upon personal knowledge and experience to illustrate the situations and problems likely to arise and the ways of meeting and solving them. At the same time the probationers also acquire a knowledge of the machinery of Government at the Centre and in the States and the organisation, functions and procedures of the departments and the operating agencies.

The course also includes lectures in the Administrative

History of India tracing the evolution of the present day institutions and administrative practices from those obtaining in ancient, mediaeval and pre-British days. This method is of special value in the study of village *Panchayats* and Co-operatives.

Separate series of lectures and seminars deal with detailed instruction in the functioning of 'District Administration'—a vitally important element in the administrative structure in India to which the I.C.S. recruit of the old days used to come as a complete stranger. In order to combine descriptive instruction with some degree of personal observation, the probationers under training are taken on guided visits to the headquarters-towns of neighbouring districts and sub-divisions, to rural police stations, and to the Community Project areas and National Extension Service centres.

In the basic training of generalist administrators there is naturally very little scope for teaching the *techniques* of handling tools and appliances. Nevertheless, the course includes, P.T., horse-riding, motor mechanics and weapon training. The recruits also get some practical experience of administrative problems and democratic action by having to run their own Mess and to make their own arrangements while on tours which, incidentally, also include visits to sister institutions like the Indian Defence Academy and the Police Training College, and a fortnight's attachment to units of the Army in conditions approximating to 'active service'.

A statement of the syllabus which is given to each recruit on reporting for training, is reproduced at the end of this article.

When the basic training, which lasts for about a year, is over the recruits undergo another examination conducted by or under the supervision of the Union Public Service Commission. There are written papers on (i) General Administrative Knowledge (mainly embracing Economics, General Administration and District Administration); and (ii) Indian Criminal Law and Procedure. There are written as well as oral tests in Hindi and the regional languages, and also qualifying tests in horse-riding, motor mechanics and rifle and revolver shooting. Above all, there is a final personality test by an interview board of the Union Public Service Commission to assess how far the recruit has really benefited from the basic training made available to him.

IV

The training camp for the I.C.S. probationers set up by the British Government during World War II was located in the Himalayan hill-station of Dehra Dun, already the home of the Indian Defence Academy, the Indian Forest Research Institute, the Doon School and other educational and training establishments. The I.A.S. Training School was, however, deliberately located at Delhi, close to the National Capital and the administrative hub of India. Despite suggestions to the contrary which are still received occasionally, there can be no doubt that this step has been fully justified by experience.

To be near the centre of all Government activity is in itself stimulating but it also has some very tangible advantages. At Delhi, the probationers can come into personal contact with the President, the Prime Minister and members of the cabinet, senior officials from the ministries and departments at the Centre and visiting ministers and officials from the States, members of the foreign diplomatic missions, and numerous important and interesting personalities from all over the world who usually break their journeys through India at Delhi. The opportunity to draw upon so rich a store-house of knowledge and experience is fully utilised by the probationers by organising formal lectures, informal talks and social gatherings. This is, in some ways, the best part of their basic training, and it could never be made available so easily or so liberally if the School is moved away from Delhi.

Even in the strictly curricular sphere, it is easier from Delhi to arrange visits of study to the Parliament, the Government offices, and the Law Courts. From Delhi it is also convenient to show the trainees the practical working of the District administrative systems of two types : the mainly 'functional' as in the Punjab and the mainly 'regional' as in Uttar Pradesh.

V

In conclusion, it should be emphasised again, that what has been described above relates only to the *basic training* of the new recruits to the Indian Administrative Service. Throughout his stay at the School it is made clear to every probationer that his real training will only begin when he starts learning the job by doing it under the guidance of the District

Officers to whose tutelage he is consigned. He knows too, that such *practical* training would last for *five to six* years during which he may expect to hold positions and discharge duties of progressively increasing variety and responsibility. Only then will the officer be considered ripe enough to be made a District Officer in the field or a Deputy Secretary or junior head of Department in the Secretariat—which, incidentally, are only the lowest of the key posts in the State and Central Government for the manning of which the Indian Administrative Service has been organised.

NOTES

Indian Administrative Service Training School, Delhi

A Brief Syllabus of Training

1. Basic knowledge of criminal law and procedure.
2. Economics
 - (i) General principles and their practical application to problems of public administration.
 - (ii) Economic history of India.
 - (iii) Special study of certain branches, *e.g.*, promotion and control of co-operative enterprises ;
Promotion of increased food production ;
Promotion of cottage industries ;
Operation of controls over production, distribution and exchange of certain types of commodities ;
State management of certain types of industrial enterprises.
 - (iv) Public Finance
 - (a) Essentials of public and private finance ; principles of taxation—incidence, cost of collection, repercussions on the general principles of State policy, moral values, *etc.*
 - (b) Management of currency and State banking.
 - (c) Budgeting for Central and State Governments.
 - (d) Organization for maintenance of accounts and audit—Continuous financial control over expenditure as against grants voted by the legislature.
 - (e) Ultimate control on public finance by the Legislature as representative of the people.
3. Administrative History of India

From the ancient Hindu period to the present day—Evolution of the relations between the ruler and the ruled—Central Government—Degree of direct control exercised by the Central Government in

various fields—Evolution of the organizations for management of defence, external affairs, internal security, law and order, revenue administration, administration of justice, etc.—Change of emphasis from law and order state to a welfare state.

4. General Administration

- (1) The essential features of Parliamentary democracy—The role played by the different elements : the Electorate, the Legislature, Political Executive, and the Permanent Civil Service.
- (2) The principal provisions of the Constitution of the Indian Republic.
- (3) The principles of General Administration, *viz.*,
 - (i) Supervision, direction and control,
 - (ii) Organization and methods,
 - (iii) Staffing and personnel management,
 - (iv) Problems of supply and material, and
 - (v) Provision of finance and financial control.
- (4) A more detailed study of the principles of organization, *e.g.*,
 Distinction between policy and execution,
 Lines and levels of authority,
 Division into sub-units by territory or functions,
 Centralization and decentralization,
 Concentration and deconcentration,
 Co-ordination at lower levels, and
 Overall co-ordination.
- (5) A general survey of Departmental organization in
 - (a) the Central Government, and
 - (b) State Governments.
- (6) “Rules and standards of conduct” expected of I.A.S. Officers :
 Relations with
 - (a) superior officers,
 - (b) fellow officers,
 - (c) subordinates, and
 - (d) members of the public.
- (7) Methods of acquiring, maintaining and improving technical efficiency as Administrative Officer :
 - (a) Study of local problems and conditions,
 - (b) Touring,
 - (c) Inspections, and
 - (d) Management of public funds.

5. District Administration

- (1) Instruction in District Administration covers in rather greater detail all aspects of the work of a District Officer as Collector (revenue), Magistrate (law and order), and as District Officer (general co-ordinator of the activities of all different departments of Government, and as Government’s local representative). There is a detailed discussion of the duties and functions and position of the officials in the hierarchies under the head of the district in his different capacities.

In addition, instruction is given in such allied subjects as Police, Departmental organisation in the District, Court work, Touring, Administrative Method, and Local Self-Government.

Discussions are also held on various village problems including agriculture, subsidiary industries, land-fragmentation, litigation, sanitation, illiteracy, poultry farming, maternity, health, landless labour, temperance, *begar*, untouchability, and co-operation.

Lectures are also arranged on subjects like Elections, Census, Forests, Co-operatives, etc.

(2) In addition to the above, as great a variety as possible of *extra-curricular* lectures are given by officers belonging to various Ministries of the Government of India, e.g., Food & Agriculture, Commerce and Industry, Defence Services etc., on the principal objectives and activities falling within their respective spheres.

(3) Special study of Community Projects and the Five Year Plan.

6. A basic knowledge of Hindi, and of the various State languages, where necessary, is given.

7. Arrangements have also been made with the assistance of Delhi Police to teach probationers the art of horse-riding, and to give them training in the handling of the usual fire-arms.

8. Instruction is also provided in the principles of Motor Mechanics.

9. The syllabus also includes the following :—

(a) Study visits to villages, Police Stations, Sub-Divisional Headquarters, and District Headquarters.

(b) Study visits to the Indian Agricultural Research Institute, New Delhi; All India Radio; Parliament (while in session); Technical Training Centres established by the Ministry of Labour and the Ministry of Rehabilitation; Employment Exchanges; the Indian Forest Research Institute, National Defence Academy, Survey of India, etc., at Dehra Dun; Police Training College, Mt. Abu.

(c) Probationers are sent on attachment to Army units in active service conditions for 15 days with a view to giving them a first-hand knowledge of the organization of the Army, methods of training, duties of personnel at various levels of command, etc., as well as to acquire some facility in handling of fire-arms.

People's Co-operation in the Kosi Project

Kanwar Sain

THE recent experiment in harnessing people's co-operation for taming the Kosi river brings into bold relief the importance of public co-operation in the execution of all our development plans. The main purpose behind the introduction of this new method was to demonstrate how such large scale works can be undertaken successfully by organised human labour without wholesale dependence on machinery and how the spirit of self-help and common endeavour can overcome the handicaps of local apathy and party factions.

The Kosi is the Indian 'river of sorrow' which has in the past repeatedly changed its course, causing untold damage to the neighbouring areas of East Nepal and North Bihar. The urgency of adopting flood control measures in this region attracted the attention of Government as early as 1937. But detailed investigations were needed before concrete proposals could emerge. The present Kosi Control Scheme was finalised only in November 1953 by the Central Water and Power Commission. Besides the construction of a barrage, canals and diversion works, the project involves the erection of 147 miles of earthen embankments to confine the river to a defined course and thus prevent the inundation of the surrounding areas. A part of these embankments is being constructed under the 'Public Co-operation Programme'.

The idea of mobilising people's co-operation for large projects is one of the basic principles which underlie the First Five Year Plan. It was felt that the river valley projects provided a unique opportunity to associate the public actively with State ventures and to give them a hand in working out their own safety and material advancement. The visit of the engineers of the Central Water and Power Commission to China and their report about the performance of the Chinese people in the construction of embankments gave a further stimulus to the idea of enlisting public co-operation in the execution of river valley projects.

When the programme for the Kosi Project was being considered, the Minister for Planning and Irrigation and Power

discussed with the Members of Parliament the ways and means of securing the people's support. Subsequently at the meeting of the Co-ordination Board of Ministers held in September, 1954, it was decided that the States concerned, viz., Assam, Bihar, West Bengal and Uttar Pradesh should explore the possibilities of enlisting public co-operation in flood control measures. The idea found support in each of the States and their people offered to extend the necessary co-operation in respect of many projects.

The Bharat Sevak Samaj—a voluntary organization for national service—was entrusted with the task of organizing public co-operation for the Kosi Project. The Samaj undertook the responsibility of completing $16\frac{1}{2}$ miles of earthen embankments (8 miles on the Western side and $8\frac{1}{2}$ miles on the Eastern side of the river). It has been able to enlist the co-operation of the people in the following three directions :

- (1) Voluntary surrender of land by the local people for the construction of protective embankments and temporary labour camps ;
- (2) *Shramdan* (i.e. gift of labour) ; and
- (3) Paid labour through the agency of *Gram Panchayats* (village councils) and labour co-operatives.

Inordinate delays in land acquisition have often held up the execution of projects in the past. The Bharat Sevak Samaj organized a special campaign among the people in the Kosi area to secure voluntary surrender and achieved commendable results. Hundreds of acres of land were placed at the disposal of the project authorities. The gift of land was made not only by those who stood to benefit but also by those who had to leave for ever their own cherished lands for the construction of the embankments to save the lands of their fellow citizens. As a result of people's generous co-operation the formal lengthy procedure for land acquisition was avoided and the work started much earlier than scheduled date.

The *Shramdanees*, i.e. voluntary unpaid workers, have been chiefly drawn upon from middle class peasants, students and social workers. The Secondary Schools and colleges have each sent 90 and more students at a time. The Basic Schools also have evinced great interest, and the students of some of them are continuously camping at the site of works. Boys of the Auxiliary Cadet Corps numbering about 11,000 have

shown remarkable enthusiasm in constructing some of the Eastern banks. The Bihar University has organized its own camp of *Shramdanees*—300 students on the Western embankment. The latest addition is the labour donation from the teachers and students of a Sanskrit school in Darbhanga.

At no time was it visualized that *Shramdan* would meet all the requirements for labour. But people who had never before handled a spade are today working shoulder to shoulder with the rank and file of workers with great zeal and enthusiasm ; and it is hoped that *Shramdan* will create and spread this enthusiasm over a wider area.

The main contribution of the Bharat Sevak Samaj has been in the direction of harnessing labour through *Gram Panchayats* and Labour Co-operatives. *Gram Panchayats* have been organized under the Bihar Panchayat Raj Act. Wherever this has not been found possible, either Labour Co-operatives or unofficial *Gram Panchayats* have been set up.

Under the Public Co-operation Programme, a *Gram Panchayat* or Labour Co-operative is required to enroll at least 200 labourers and the chief of the *Gram Panchayat* or the Labour Co-operative functions in the capacity of a Unit Leader. Each Unit Leader undertakes to construct at least a thousand feet reach of the embankment and he is expected to complete it with 200 labourers within 120 days. He signs a pledge with the Bharat Sevak Samaj that he would not withdraw from the work until he fully completes his allotted task, strictly according to the required specifications of work and the scheduled time-table. The Unit Leader also enters into regular contract with project authorities on behalf of the Bharat Sevak Samaj. He is a contractor for all practical purposes except that he makes no personal profit for the work he does. The Unit Leader further assures that he would disburse the money received from the project authorities, in accordance with the instructions of the Bharat Sevak Samaj. Ninety per cent. of the total earnings go to the individual worker and $7\frac{1}{2}$ per cent. to the *Gram Panchayats* or the Labour Co-operatives. To the latter is added an equivalent sum received from Government under the Local Development Works Programme of the First Five Year Plan and this total of 15 per cent. is earmarked for schemes of community development. Two and a half per cent. of earnings which are left over are paid to Unit Leaders for meeting the establish-

nent and supervision costs. Almost the entire earnings are thus spent for the benefit of workers. The individual contractors are eliminated and their personal profit is diverted into community savings. The Bharat Sevak Samaj and the project authorities do not claim any share in the earnings.

Work on the Eastern embankment has been divided into three and on the Western into four 'points'. Each of these points has been put in the charge of a responsible nominee of the Bharat Sevak Samaj who is assisted by a small committee of Unit Leaders. A Point-Incharge is ordinarily responsible for two to three miles of work and a Unit Leader for a thousand feet reach of the embankment. To co-ordinate the activities of all the Points-Incharge, there is one Embankment-Incharge on both the sides and it is his job to see that uniformity in progress of work and rates of payment, etc. is maintained everywhere. The Embankments-Incharge in particular and Points-Incharge in general receive suggestions and instructions from the Convener of the Kosi Section of the Bharat Sevak Samaj, who, in turn, keeps a regular contact with the Convener of the Bihar State Bharat Sevak Samaj.

The progress of work on the Western embankment is possibly ahead of schedule and its quality has also been found superior to that of the work done by usual run of Public Works contractors. The local people who have been mobilised to work on the project are directly interested in seeing that the work is completed in time and the embankment is strong enough to stand the flood. The Unit Leaders too are always vigilant to ensure that the quality of work does not deteriorate. This spirit is seldom found under the contract system.

On the Eastern embankment, because of late start and organizational difficulties, the pace of work was not very rapid at first ; but it has been steadily improving.

The Bharat Sevak Samaj has accepted the work at relatively lower rates and this has forced contractors to reduce their quotations also. The labourers working under the scheme are paid on piece-rate basis and the payment is made every week by the Unit Leader to the labourers on proper receipt in the presence of the Point-Incharge. The Unit Leader maintains records of daily attendance and working hours.

At the Kosi Project human hands have successfully overcome the difficulties caused by the lack of machinery or by the nature of the terrain where machinery could not be used. In the construction of a part of embankments no use has been made of bull-dozers, tractors, and the like.

Being largely a new concept, public co-operation had to struggle against many obstacles in the earlier stages. Government officers accustomed to departmental work, or work through contractors, were not sanguine about the success of the scheme. The new method, requiring as it did, close co-operation and mutual faith at all levels between the officials and the public, presented new problems in human relations. The programme of work had to be settled. The method of organizing public participation had to be worked out. Various aspects such as arrangements for payment of wages, provision of housing facilities and amenities at work sites, required careful planning. At the outset, a large number of men volunteered to work on the project. But the engineers were not yet ready to engage them as they had not sufficient over-seeing staff. Many workers had to go back disappointed. Due to the concentration of labour and delayed payments, the prices of food stuffs went up temporarily and an artificial shortage was created. All these difficulties have since been largely solved.

The experience gathered in the first experiment should prove of great benefit for future projects. Before a project is started, accommodation and other amenities like water supply should be arranged for. Sufficient subordinate staff should be placed in position to facilitate the measurement of work and prompt payment of wages. Work should be marked out on the ground in advance and necessary implements like baskets made readily available so that men, as they come, can commence the work.

A large number of amenities for the labour force have been provided. The project authorities supply free transport between the railway station and the work site. They also provide tools, implements, and medical aid. Thatched sheds have been erected at many places along the banks to provide accommodation for labour. For supplying sufficient drinking water, tube wells have been constructed both in workers' colonies and alongside the banks. For general entertainment, radio sets have been provided and cinema shows are often

arranged. Welfare officers have been appointed to look after the health and welfare of the labourers. Community halls have been built in each of the colonies, where reading material and some games are made available. In the camps of Auxiliary Cadet Corps volunteers, entertainment programmes are organized on a more systematic basis. In the *Shramdan* sector, music is played at the work site for lightening the monotony of work.

The Bharat Sevak Samaj occupies the position of a contractor. But the fact that popular leaders are behind the organization, is responsible for a new type of relationship between the Samaj and the Kosi Administration. In the early part of the project, the Kosi authorities found that complaints were frequently made by the Samaj directly to the highest level. The Samaj, on the other hand, felt that payments were not made promptly and that there was considerable red-tape in the Government organization. The situation called for an adjustment between the two parties and the experience of the last three months has paved the way for smooth working.

The example at Kosi has found immediate response in other places. Thus at Burhi Gandak in North Bihar about 75 per cent. of earth work on 100 miles embankment has been started through *Mukhias* and *Gram Panchayats* of the villages lying near the banks. In Assam also, public co-operation is in evidence in several places, e.g., on embankments in Goalpara, and protection works at Dibrugarh, etc.

In Uttar Pradesh about ten thousand persons are working on raising villages above the normal flood levels. At Dhumrighat in the district of Etah, about six thousand persons offered voluntary labour and constructed a river embankment and an approach road. In Tungabhadra area also people have shown readiness to come forward with voluntary labour.

The idea of public co-operation has caught the imagination of the people. They are coming forward with *Shramdan* and are organizing village co-operatives to undertake the construction of embankments, the excavation of canals and tributaries, etc. This has great significance. All communities and sections of the public are supporting the movement irrespective of party affiliations.

The great start made in public co-operation at the Kosi Project has yielded useful results. It has enthused the local people and inspired them to work together for the realization of common purposes. It has also provided employment to thousands of men. Here is a scheme in which men and not machines dominate the scene, which has been carried out successfully by unskilled labour with the aid of voluntary agencies.

In the mass enthusiasm and support for the Kosi Project, we can see the seeds of a great future, for it is only the spirit of self-help that can make the nation virile and progressive and enable it to build a co-operative commonwealth.

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“On the part of the administration, efficiency and integrity are of course of the highest importance ; equally, the relations between officials at different levels and the general public have an immense bearing on the response of the public. It is an essential rule in the code of a public servant, whatever his rank, to extend to every citizen courtesy and consideration and to inspire in him the confidence that so far as the law and the administration are concerned, all citizens have equal rights and equal claims. Every unit in the administration has to discharge its duties in the understanding that the major justification of its existence is the service it renders to the community and the confidence which it evokes, and that the public has a contribution to make in the fulfilment of any programme, which is no less vital than that of the administration. The approach towards the public must, therefore, always be based on an attitude of close co-operation and a desire to take the utmost advantage of the people and provide for voluntary community action as large a field as may be possible.”

—From the First Five
Year Plan

Administrative Relations in Planning

Tarlok Singh

PLANNING belongs to that small group of social concepts which are difficult to define and yet become a medium of common thinking and expression, whose impact on institutions and human relations has a pervasive quality, although their meaning depends altogether on the situation and the objectives they are intended to serve. Reduced to essentials, to plan is to determine the use of resources available to a community. Planning, thus, is an aspect of decision-making. It is concerned with resources in the widest sense—material, manpower and capital resources, no less than resources of a non-material character such as the values, ideals and urges of a community and of its individual members. Since resources can only be used and developed over time, planning involves always an attempt to balance short-term and long-term aims. Determining what the resources are and how they can and should be augmented and employed and judging the economic and social situation for action of different kinds are processes which fall within the scope of planning.

Planning would be an infructuous exercise unless important decisions flowed from it. The agencies and methods employed in planning are closely allied to those used in preparing for, taking and implementing decision. In other words, planning is an aspect of government. Its range is nearly as large as that of governmental activity, its association with the people as great as the extent to which the people have a share in the activities of government at different levels. All phases of governmental activity are influenced by planning, though economic and social development is, naturally, its special field.

Administrative relations involved in the process of planning do not stand by themselves. They are part of a wider context, influencing and in turn being influenced by other prevailing relationships. Moreover, the context itself changes from time to time ; with it there may be changes in

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administrative, economic and political relations large enough to require fresh assessment at frequent intervals. The main determining factors at any time or in any situation are :

- (1) the major aims and objectives which are sought to be achieved,
- (2) the political assumptions,
- (3) the administrative assumptions, and
- (4) the nature of the planning machinery.

These various factors inter-act all the time and it may not be easy on some occasions to separate individual elements in them as cause or effect. Over and above them, there is the human factor, the personality and attitudes of individuals, specially those in key positions, on which, in the final analysis, the smooth functioning of any set of institutions largely turns. The action and inter-action of these factors are briefly analysed in the sections which follow.

II

The principal objectives in planning at any given moment are determined mainly by two conditions :

- (1) the needs, short-term and long-term, of the economic situation as judged at the time ; and
- (2) the relative pressure of defence needs and of welfare.

In turn, the objectives, if they are clear and imperative enough, suggest the means to be adopted. How far they can be attained will depend on the behaviour of the other assumptions in planning, and on whether the initial judgment from which planning starts proves correct or adequate. Historically, there are important examples of considerable economic development without deliberate planning. Planning, however, is the strategy of forcing the pace of development and for those who have a long distance to cover there is no choice. Much, therefore, turns on how accurately the economic situation is assessed by those responsible for planning and on the manner in which their judgment is modified on grounds of national security.

In Western Europe after the second world war, the restoration of economies which had sustained severe damage and the modernisation of equipment were a common aim in

planning. The countries concerned functioned within a system of international trade and drew largely on aid from across the Atlantic. Their aims were of a limited character ; they were not primarily engaged in building up planned economic systems. Therefore they only employed some of the tools of planning to achieve their post-war reconstruction. Countries in Eastern Europe, whose problems were in many ways more complex, had to depend for their rehabilitation mainly on their own internal resources. They therefore developed closely planned economies with a different system of ideas and attempted a more fundamental kind of economic and social transformation. Economic planning was for them, a major instrument for wider political aims—national strength based on heavy industries and a new social structure. Planning in the Soviet Union has from the beginning been determined by these two objectives, the desire to provide a larger flow of goods and services, and at lower prices, being invariably subordinated to them. In India, at the time of the First Five-Year Plan the basic problems were those of mass poverty, but the immediate need to repair shortages of food and raw materials in a situation which presented dangers of increasing inflation influenced the character of the Plan. As the economic situation improved, the base of the Plan was steadily broadened and new ideas and approaches came to be embodied in it. For the Second Five-Year Plan, the principal targets are set in terms of fuller employment, so that this objective will largely govern the composition of the plan and the technological relations in the sectors concerned with production.

The economic assessment is invariably subordinate to the demands of national security as judged by those who are in control of the apparatus of the State. If defence is given the first place—there may sometimes be no option but to do so—the emphasis in planning will be on :

- (1) planning to achieve the maximum results during relatively short periods,
- (2) the highest possible rate of capital formation involving reduction of consumption through high prices, reduced supplies, and measures for withdrawing as much of the purchasing power of the community as may be feasible, and
- (3) maximum attainable control over economic operations in different fields and at different levels,

including internal trade and distribution and measures to secure surplus food through obligatory deliveries, etc.

It is possible to conceive of this approach in planning for its own sake, even if defence considerations are of a subordinate character. There is no instance of this, however, in actual practice and on the whole it seems correct to associate the willing acceptance of the rigours involved with objectives more compelling than a mere desire to build up a fully socialistic structure.

On the other hand, if the assumption is that conditions of peace will prevail and that there is no urgent threat to national security, the characteristics of planning are likely to be—

- (1) defining short-term goals in terms of more long-term aims for increasing national income and national well-being and acceptance of a somewhat more gradual approach ;
- (2) balancing consumption and investment so as to avoid excessive strain on the economy and hardship to the poorer sections of the community;
- (3) insistence on certain human values and on changes in institutions taking place in large part *pari passu* with changes in the attitudes and outlook of men, with equal emphasis given to the moulding of the human material and to the correction of economic and social disparities and re-organisation of institutions ;
- (4) balanced development in different sectors with emphasis on those activities which will contribute to the welfare of the largest numbers ;
- (5) expansion of the public sector and of the co-operative sector, and in the purely private sector a certain amount of general regulation by the State without detailed control ; and
- (6) maintenance of the framework of a market economy.

Planning with defence requirements as the focal point involves widespread conscription of human and material resources ; it carries the techniques of management commonly employed in war into the realm of economic development,

Necessarily, such planning is not possible without considerable concentration of authority. The area of choice or argument for any organisation or individual is limited ; in every situation there is some one who has the last word. Planning with the welfare of the largest number and continuing peace as the basic assumptions also calls for certain common ideas and a degree of discipline in fulfilling them. There is, however, a wider distribution of authority and conclusions emerge as a rule from the process of consultation and agreement. It is obvious that administrative and other relations have a share in determining the kind of planning that may be practicable, but to a large extent they are a product of the approach adopted in planning.

All planning places a certain amount of power in the hands of those with whom decisions lie and influence in the hands of those whose knowledge or assessment shapes the decisions. Whichever pattern of planning comes to be adopted in the circumstances of a country and within its assumptions, there is need for balance, restraint, flexibility and delegation of authority if large mistakes in planning are to be avoided. Many of the failures in planning occur when those responsible for planning and for making decisions do not give sufficient weight to these elements from which is woven the texture of human relations in planning. The process of planning is such as to make for easy transition from intelligent and well-informed management of the economic machine to wasteful exercise of authority and direction. For its own sake, therefore, planning, like government, requires a number of internal checks and balances. An instrument of such far-reaching value for social and economic progress has to be watched jealously lest through its own excesses it injures with one hand what it creates with the other.

III

The political assumptions on which planning is based are closely allied to the basic conditions which determine its objectives. The elements to be considered are :

- (1) the size of a country,
- (2) whether the political structure is based on the existence or possibility of one or of more than one political party,

- (3) in the case of a large country, the pattern of constitutional relations between the Central Government and the governments of the States, and
- (4) the resources available to the Centre and the States.

The size and population of India with her vast problems, the existence of a federal system in which the States are important units in their own right with resources accounting for half the national budget and adherence to the democratic method in political organisation are factors which give to India's planning a unique historical and practical interest.

The adoption of the Indian Constitution in January, 1950 was followed within a few weeks by the setting up of the Planning Commission. The preamble to the Government Resolution announcing the terms of reference of the Planning Commission drew inspiration from the Directive Principles of State Policy in the Constitution, so that these principles became the frame of reference for national planning :

“The Constitution of India has guaranteed certain Fundamental Rights to the citizens of India and enunciated certain Directive Principles of State Policy, in particular, that the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life, and shall direct its policy towards securing, among other things—

- (a) that the citizens, men and women equally, have the right to an adequate means of livelihood ;
- (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good ; and
- (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

Having regard to these rights and in furtherance of these principles as well as of the declared objective of the Government to promote a rapid rise in the standard of living of the people by efficient exploitation of the

resources of the country, increasing production, and offering opportunities to all for employment in the service of the community.....”

For sometime the ideas quoted above were commonly described as the principles of a welfare state. Now, through further elaboration and interpretation, they are described as the basic objectives of a welfare state and the socialistic pattern of society. This widening of the concept has a moral. It illustrates how democratic growth makes for continuity, how within the framework of democratic values, major advances in policy may take place through the process of political interpretation and adjustment to new economic situations, how the very words one uses change and grow in meaning. The influence of such a method of development on administrative and human relations in the process of planning can be highly significant.

In a large country there are very definite limits to central planning. These limits are sharper where the Constitution vests vital powers and functions in the States, supported by considerable independence in the manner in which the resources given to them may be developed and utilised. National Planning, while proceeding to a large extent through consultation, yet widens the role of the Central Government and tends to reduce the distinction between Central and State responsibilities. This occurs for a number of reasons, notably the following :

- (1) Planning determines, both for the Centre and the States, the directions in which the available resources may be used both over short and long periods.
- (2) In joining with all the States to formulate a national plan, the Centre underwrites its implementation in a large measure. In other words, on the one hand, it has a concern and must develop an apparatus for seeing that States discharge their part of the obligations ; on the other hand, it undertakes to use its own resources and its powers of management of currency and credit in the service of the whole plan including the State's obligations.
- (3) Important new impulses and drives emanate from the Centre and develop into nation-wide program-

mes. In some cases part of the direction and finance may come from the Centre, but the execution may be wholly with the States, for instance, the Grow More Food campaign, the national malaria control programme, the welfare of backward classes, or the conversion of primary schools to the basic and of secondary schools to the multi-purpose pattern. The power of the purse is the main instrument in such cases.

Distinct from them in quality are the Community Projects and the National Extension Service. These do call for finance and direction from the Centre, but their real meaning lies in the new approach they embody towards community responsibility and welfare and the conception that every agency in the administration should work *with* and not merely *for* the people. Community Projects and the National Extension Service began with emphasis on agriculture and rural development as these were the first needs. Their scope and range of interests will steadily extend to other fields and in the long run it is as a method of development inherent in and growing out of the democratic approach which encompasses every vital need of local communities, that they will be best integrated into the scheme of national planning. The approach which they imply, provided only that excessive centralisation is vigilantly guarded against, should survive long after particular forms of assistance which they take from the national or the state capital to the village home have ceased.

- (4) Large-scale industrial development places major responsibility on the Central Government both for the public sector and for the regulation of the private sector.

It would be wise to find ways of associating the States as far as possible in the development of new industries, for, as economic development proceeds, industry will dominate the national scene. The ultimate problems which the growth of industry is intended to solve--diversification of

employment, work for all and raising of standards of living through the maximum development of the local resources of each region—are of deep concern to the States. It would be unfortunate if in the system of planning that comes to be evolved the plans of the States are without a significant industrial content of their own and a degree of participation in the growth of the national public sector.

Thus, in Indian conditions, as formal lines of demarcation between the Centre and the States inevitably weaken through national planning, new ways need to be devised to enable the States to work as partners, responsible and sufficiently self-determining, yet subserving the common goals and conforming broadly to the national pattern of economic and social development. As the initial political assumptions of planning become less important, new assumptions have to be built in their place to effect the transition from formal distribution of powers and responsibilities to fruitful partnership in action.

IV

The administrative assumptions of planning flow in large part from the political assumptions. In so far as they are distinct they are specially related to questions of personnel. The first aspect to consider is the extent to which administrative and technical personnel concerned with planning are drawn from the same sources as those which provide the personnel for execution. At the level of the region or the State, planning is not yet specialised enough for any differentiation to have taken place between these two categories of personnel. At the national level, although planning is by no means such a specialised field, the personnel drawn into planning come from a number of different sources. On the whole, however, there has so far been a sufficient degree of common experience and tradition between the principal officials concerned with planning and with execution. This has made for a co-operative approach. In the future, it is to be expected that greater specialisation will develop in planning. It is in the interest of sound planning and fulfilment of plans that are formulated that the planning organisation should not attempt to become altogether self-contained and all-knowing and there should continue to be a steady exchange of personnel and ideas

between it and the Ministries and the States and institutions and agencies outside the government. Ideas and attitudes which are reared through similar work and experience are not by themselves sufficient and need to be supplemented ; they do, however, lead to easier human relations. Both aspects have to be borne in mind in organising the administration for a planned economy. Good human relations are as important for planning as they are for implementation and for working with and through the people.

In the first phase of India's planning—this will be true largely also of the second phase—both at the Centre and as between the Centre and the States, a considerable proportion of the administrative and technical personnel concerned with planning belonged to the former all-India services. It would help national planning if in the future there were all-India or joint service cadres in the principal fields of technical development. Such service cadres are a means for carrying a wider stock of talent to States some of which may otherwise accept the second or the third best, that is, in effect, a lower rate of development. These cadres will also prevent isolation between the thinking and experience of those who serve at the Centre and those who serve in the States. This is of the highest importance for national progress on democratic lines. Equally, they can help avoid differences in outlook between those who plan and those who execute, for such differences reduce greatly the contribution which planning can make to national well-being.

As a result of the growth of planning in India the Centre is assuming increasing responsibilities in providing facilities for training and research. Five years ago, the Centre's interest was confined to the higher levels of scientific and technical education. Now, it views the problems of personnel more comprehensively. For the first time perhaps the role of trained personnel in the execution of major programmes was fully recognised in the field of community development. While several valuable steps have been taken there are many directions in which rapid progress will become possible only when resources and techniques are carried to the people by men and women who have first acquired the skills needed. As a result of the experience gained in planning during the past two or three years, the Centre and the States now approach training programmes with equal concern and as partners in

a common task. This augurs well for the success of future plans.

V

Thus, in terms both of political and administrative assumptions, in the developments that have taken place so far, planning has been pre-eminently a method for achieving co-operation and evolving a body of common aims to be pursued on a national scale. This is one of the most important tests of the quality of planning and one on which much else turns. In this respect, during the past five years the role of the Planning Commission as the national planning body has been clearly helpful and influential. In its work the Planning Commission was favoured by several circumstances, such as the position of the Prime Minister, who is Chairman of the Commission, the support given to the Commission's work on the political plane, the eminence and the place in public life of its individual Members, the close links between the Planning Commission and the Finance Ministry at the Centre, the co-operation freely given and received at all levels both at the Centre and in the States, specially on the part of the Chief Ministers, the objectivity and judgment which the Planning Commission has shown in pressing its own ideas and in entertaining those of others and, finally, the success which has attended much of the effort in the First Five-Year Plan. The setting up of the National Development Council in which all the States are represented through their Chief Ministers and of a Standing Committee of that Council to consider matters of common interest from a national point of view are important new developments whose significance may well grow in the future.

If, however, we consider the character of the machinery of planning over a longer span of time, there are a number of questions bearing on administrative relations in planning which deserve to be considered :

(1) *Should the national planning organisation be an advisory or an executive body ?*

The Planning Commission has stood out generally for the principle that it will not accept responsibility for implementation of the plan. In practice, however, it has had to assume duties wider than those of mere planning. For instance, it continues to be the Central Committee guiding the work of the Community Projects Administration. It has a

range of other duties which have grown up in recent years, watching the implementation of plans specially in the States through its team of Programme Administration Advisers, assisting and guiding economic and social research programmes in the universities through the Research Programmes Committee, considering land reform programmes all over the country through a Central committee for land reforms, and from time to time pursuing various policy and other questions independently with the Central Ministries and the States. For the strength of personnel at its command, the functions of the Planning Commission have become more extensive than could be foreseen five years ago.

Public opinion in India expects much from the Planning Commission, regarding it as a group engaged in the search for disinterested solutions, reaching into the depths of intricate social and economic problems, keeping abreast in its appreciation of the needs and hopes of the people, moulding public thinking on the basic problems of planning, stimulating right action within and outside the government, and at all times watching for what is true and lasting in the interest of the community as a whole. This is no small task to be entrusted to any body of men and, let it be added, one to which there is no parallel elsewhere.

(2) *What is the level at which, within the Government, members of the planning organisation are expected to function?*

In several countries with planned economies, planning bodies have chairmen who have a high place in the Council of Ministers, but their remaining members are only high-level executives or experts. There is, however, no country other than India in which the Prime Minister is himself the chairman of the planning body and where its members not only function at the level of ministers but also include in their ranks ministers with key responsibilities in the national government. The latter development has come from historical circumstance rather than deliberate purpose, for, when the Planning Commission was set up in 1950, the Government declared :

“The need for comprehensive planning based on careful appraisal of resources and on an objective analysis of all the relevant economic factors has become imperative. These purposes can best be

achieved through an organisation free from the burden of the day-to-day administration, but in constant touch with the Government at the highest policy level."

For the planning body to have the requisite amount of independence in judgment and time for thought, it is essential that the original intention cited above should be fulfilled to the extent of a sufficient number of members being available who do not carry departmental and political responsibilities and who, by devoting their whole attention to planning, help to develop and maintain under all circumstances a balanced and integrated approach towards major national problems. If some of the factors which have so far specially favoured the fortunes of planning in India are viewed in this perspective, it is apparent that in the last analysis the authority of the planning body in a democratic system derives mainly from the comprehensive character of its social approach, the quality of the experience and judgment expressed in its work, the sources of knowledge and information which it commands, and its ability to adapt its thinking to the changing needs of the economic and social structure, and, what is not less important, to changes that take place at an increasingly rapid pace in the minds of ordinary citizens. One aspect needs specially to be stressed. The national planning body should be in a position to draw upon sources of information, statistical and technical, which place it in a position to consider important issues from a wider stand-point and with greater speed than those concerned with execution in particular sectors or in particular areas.

(3) *What is the character of planning organisations in the States ?*

In India, partly for lack of personnel planning at the State level has the aspect largely of inter-departmental co-ordination. This is not now adequate because in the next phase in national planning two new features have to be reckoned with : In the first place, State plans will be based to a substantial extent on local plans, that is, the plans of villages, towns and districts—programmes which bear closely on the work and welfare of the people and need for their fulfilment a large and expanding social and institutional base through village *panchayats*, local bodies and the co-operative movement. Within a State, therefore, the body co-ordinating plans has to be able

to function above the level and outlook of administrative departments. Secondly, the employment goals of the national plan require that the plans of States should be similarly motivated. Considerable technical study is therefore needed to ensure that the plans of all regions are sufficiently integrated within themselves and with the overall national plan.

(4) What kind of connection exists between planning in the public sector and planning in the private sector ?

This is one of the weak points revealed by the experience of the First Five-Year Plan. The method of Development Councils for individual industries, composed of persons representing the interest of industry, labour, technicians etc., discharging a continuing public responsibility in the planning and development of each industry and in close touch with programmes of individual units, has not taken the shape the Plan contemplated. An important problem remains for the future. Perhaps so far the government's role in relation to the private sector is seen mainly as being one of regulation and to some extent of assistance. The Plan envisaged a private sector functioning in harmony with the rest of national planning, based on different labour-management relations from those now existing, each industry providing largely its own leadership, technical personnel and machinery for planning and also the impulse to development from the point of view of the essential interests of the community as a whole. In the coming years these will be some of the conditions of stability and acceptance for the private sector in industry. Steps to establish the necessary institutions and methods for planning in the private sector have an importance which has not yet been fully recognised.

(5) What is the nature of the links which connect the work of the planning body with the political organisation or organisations which provide the governments at the Centre and in the States ?

A planning organisation is not and, in a democratic system, should never be a political body. Existence of political confidence is, however, a material condition of success in planning. Therefore, for planning under democratic conditions to have sufficient integrity and continuity and to provide a basis for co-operation over a wide field, the work of the planning organisation should be carefully regarded as falling

somewhat beyond the strictly political field, even as the national planning body must function somewhat apart from the normal structure of government.

VI

In this article an attempt has been made to touch briefly upon some salient aspects of planning so as to explain the relationships, specially in administration, which planning may throw up. The analysis is based upon the experience of India and a few other countries. To obtain a fuller picture it would be necessary to elaborate in detail upon the whole structure of relationship in several fields of economic and social development under varying degrees of planning. In actual life, the various relationships are so intertwined that wherever we may begin we are led by small steps to an enquiry into the ends of planning and the means to be employed in attaining them. Planning is perhaps best viewed as a body of techniques of social management, still imperfectly developed, which can be used, under given conditions, to accelerate the rate of economic progress. In applying these techniques it is well to remember that they are but the instruments and that the central problems of planning concern the aims we set for ourselves and the scheme of political, economic and human relations generally which we seek to build.



“While engaged in work, they shall be daily examined ; for men are naturally fickle-minded, and, like horses at work, exhibit constant change in their temper. Hence the agency and tools which they make use of, the place and time of the work they are engaged in, as well as the precise form of the work, the outlay, and the results shall always be ascertained.”

—*From Kautilya's Arthashastra*
(321—296 B. C.)

Provident Fund For Labour in Select Industries

S. Neelakantam

The system of having a provident fund to serve as a provision for the future for an employee or his dependents in case of discharge, retirement or death, has long been in existence in India but it was confined generally to persons in the employ of Government and some advanced private concerns. The extension of the system to the larger body of industrial labour is only a recent development.

The idea of extending provident fund facilities to industrial workers received serious attention for the first time at the third conference of Labour Ministers, held in 1942. It was then felt that provident funds should be instituted on a voluntary rather than a compulsory basis. To give effect to this recommendation, the Central Government framed model rules in 1945 and circulated them to employers for adoption. Some progressive employers gave a lead and established voluntary provident funds, but the general response was disappointing.

The Asian Regional Conference of the International Labour Organisation, held at New Delhi in October 1947, recommended that in the context of the conditions in India, a contributory provident fund scheme was preferable to a scheme of pension or gratuity. In a gratuity scheme the amount paid to a worker or his dependents would be small as the worker would not himself be making any contribution to the scheme. Taking into account the prevailing difficulties, financial and administrative, the most appropriate course would be to institute compulsory provident funds to which both workers and employers are made to contribute. Apart from other advantages, such a scheme would inculcate a spirit of thrift among workers and also help to stabilise the labour force.

The 9th session of the Indian Labour Conference, which met in April, 1948, was of the view that the introduction of a

statutory provident fund scheme for industrial workers might be undertaken. The proposal took a definite and concrete shape in December, 1948, when a provident fund scheme, limited in scope to the Coal Mines, was launched. The success of this scheme led to a demand for its extension to other industries. In 1949 when a non-official Bill for the setting up of provident funds for other industrial workers was introduced in the Central Legislature, the Labour Minister gave an undertaking that a comprehensive official Bill on the subject would be placed before the House. Accordingly, the subject was discussed in detail at the meetings of the Standing Labour Committee in November, 1950, and the Labour Ministers' Conference in January, 1951. As a result of these discussions, the Employees' Provident Funds Ordinance was promulgated on the 15th November, 1951 and it was replaced in March, 1952 by an Act of Parliament. The Employees' Provident Funds Scheme 1952, framed under the Act, was brought into effect by stages and was enforced in full by the 1st of November, 1952.

The Employees' Provident Funds Act and the Scheme at present cover all factories that employ 50 or more persons and are engaged in the manufacture of cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles. They do not apply to factories owned by Government or a local authority and those which are less than three years old. The rate of contribution by an employee under the Scheme is one anna per rupee (*i.e.* $6\frac{1}{4}\%$) of basic wages and dearness allowance, and an equal amount is required to be contributed by the employer. The Scheme has been in force for about $2\frac{1}{2}$ years. It has benefited 15,42,000 persons, employed in 1,930 factories. The total provident fund contributions collected so far amount to about Rs. 40,00,00,000, the average monthly increase being Rs. 1,50,00,000. Approximately, Rs. 3,00,00,000 have been paid out to the members in settlement of their claims. For the first two years interest at the rate of 3% was credited to the members' provident fund accumulations. The interest for the year 1955-56 has been fixed at $3\frac{1}{2}\%$.

The Employees' Provident Funds Scheme is administered by a Board of Trustees consisting of 21 representatives of employers, employees, the Central Government and State Governments. The Secretary to the Government of India in the Ministry of Labour is the Chairman of the Board and the

Central Provident Fund Commissioner its Chief Executive Officer. The Commissioner also holds the charge of the Central Office. There are 20 Regional Offices in different States, each under the charge of a Regional Commissioner. The table below gives the present strength of officer personnel of Central and Regional Offices :—

I. Central Office :

(i) Deputy Provident Fund Commissioner : One

(ii) Assistant Provident Fund Commissioners : Three

II. Regional Offices :

S.No.	Name of Region	Officer Staff *		No. of factories	Number of employees covered
		Accounts Officer	Provident Fund Inspector		
(1)	(2)	(3)	(4)	(5)	(6)
1.	Ajmer .. ..	..	1	6	6,016
2.	Bhopal .. ..	..	1	2	2,650
3.	Bihar	1	1	45	78,793
4.	Bombay	2	8	625	5,78,632
5.	Delhi	1	1	45	18,936
6.	Hyderabad ..	1	1	19	24,190
7.	Kutch .. ..	..	1	2	304
8.	Madhya Bharat ..	1	1	26	42,481
9.	Madhya Pradesh ..	..	1	20	35,041
10.	Madras	1	3	242	1,45,115
11.	Mysore	1	1	67	42,061
12.	Orissa .. ..	..	1	8	7,138
13.	PEPSU .. ..	..	1	16	4,400
14.	Punjab .. ..	..	1	138	17,926
15.	Rajasthan .. ..	..	1	23	10,993
16.	Saurashtra ..	1	1	31	12,949
17.	Travancore-Cochin ..	..	1	33	12,507
18.	Uttar Pradesh ..	1	2	112	81,719
19.	West Bengal ..	1	6	444	4,03,299
20.	Andhra .. ..	..	1	26	16,364
Total ..		11	35	1,930	15,41,514

* This does not include the regional provident fund commissioners.

The administrative difficulties in starting and running the organisation were aggravated by Government's desire

to bring the Scheme into force immediately after the passing of the Employees' Provident Funds Act in November, 1952. These difficulties may, for convenience, be classified under the three heads : men, machines and material. There were also those of a fourth category—procedures.

It was indeed a problem how to recruit the requisite staff for running the scheme of such great proportions. It would have been desirable to recruit men and women for the work from the existing services and the open market with a view to making it a self-contained Department from the beginning, but to avoid delay in implementing the scheme officers and staff were borrowed from the Central and State Governments as a matter of policy : administrative officers from the Central Government and State Governments and accounts officers and staff from the Defence Accounts Department. The Regional Provident Fund Commissioners and Provident Fund Inspectors are drawn from the Labour or other Departments of State Governments. Most of the Regional Provident Fund Commissioners are part-time officers and are mostly Labour Commissioners or Chief Inspectors of Factories, in the States. In fact, the policy of entrusting the provident fund work to them was found advantageous, for, with the experience of factory legislation and contacts with the employers and employees gained in the official work, they were in a better position to ensure effective implementation of the Scheme. Besides, the ultimate policy being to decentralise the administration of the Scheme to State Governments it was felt desirable to associate their officers with the Scheme from the very beginning. The accounts sections in the regional offices constitute the back-bone of the machinery and their success depended on men at the head of those sections. It proved an up-hill task to find the right type of persons. Fortunately, the Controller General of Defence Accounts suggested some officers of his Department who had just retired. They have been of immense help in placing the accounts branches on a sound footing. It is true that some of these officers were a bit expensive but the slight excess in expenditure has been more than compensated by gain in efficiency. It is now the intention to replace these and other borrowed officers and staff in gradual stages and thus make the Department self-sufficient.

The next problem which had to be faced was procurement of machines. The number of individual accounts to be maintained is of the order of 550,000 and many separate

calculations are involved in each account. A view was put forward that it would be appropriate for the Labour Ministry to adopt a method which would provide avenues for increased employment. After careful consideration, however, it was decided that the accounts should be mechanised. The accounts sections in all important regional offices now use accounting machines. But when orders were placed in early October, 1952 with the Central Stationery Office, Calcutta for supply of 36 Remington Accounting Machines and 9 Calculating Machines, only 12 Accounting Machines were available ex-stock with the suppliers and the rest had to be imported from abroad. The twelve machines were actually supplied to the regional offices in May, 1953. The next twelve machines were, however, available only by the end of December, 1953. In the absence of the full complement of machines needed, the maintenance of members' accounts fell into arrears, which could be cleared only by the end of March, 1954, with the help of special staff costing about Rs. 60,000.

Another major problem with which the organisers were confronted was the provision of office accommodation and procurement of furniture, equipment, stationery and forms for the regional offices. In some States private buildings had to be hired, in some the Estate Managers allotted requisitioned buildings and in some others the State Governments provided accommodation, though scanty, in their own buildings. Indeed, the Central Office at Delhi could not be formed till the middle of 1954 due largely to scarcity of accommodation. The organisation was set up by a statute and it is expected to be made permanent shortly. Eventually it will be better and cheaper for the Department to build up its own office buildings, at least for the more important regional offices.

Next in importance was the purchase of a large number of articles of furniture for regional offices according to certain approved scales. With a view to economy, good second-hand furniture was acquired from Government sources, wherever possible and the rest by outright purchase. The Scheme provides that employers will be supplied forms free of cost on demand which, in effect, meant supply of ten million forms. The requirements of paper and printing were worked out in consultation with the Controller of Printing and Stationery and in order to obviate delay in supply the forms

were printed at four different centres. Arrangements were made with the Central Stationery Office and the Central Forms Store, Calcutta, and State Stationery Departments to meet the urgent demand of regional commissioners for other types of stationery.

Extensive procedural arrangements had to be made for collecting contributions and administrative and inspection charges from employers and for the submission of prescribed returns. The procedures set could not obviously be put into operation without the active support of employers and workers. In the early stages, lack of full co-operation from some important employers, partly due to their ignorance of obligations under the statute and partly intentional, hampered the enforcement of procedural arrangements. In some instances, the employees also withheld co-operation and protested against recovery of contributions from their wages. This called for intensified publicity and public relations. The workers have now come to appreciate the advantages of the provident fund and the Organisation has received quite a number of requests from employers and employees for coming voluntarily under the Scheme. The Act was amended suitably in December 1953 to enable the Organisation to comply with these requests. A survey of some additional industries, commercial establishments, plantations and mines is at present in progress with a view to extending the Scheme to them. This extension is likely to be completed by the end of November 1955.

The Organisation tries to run itself as economically as possible. No part of the administrative expenditure is defrayed from the provident fund collections of members. It is met by levies at a prescribed rate on the factories covered by the Act. The income so realised for the year 1954-55 was Rs. 27,10,000 and the expenditure Rs. 21,87,000. The per capita cost on the administration of the Scheme comes to Rs. 1-7-0 per annum, while the total expenditure incurred since the inception of the Scheme works out to 1% of the corpus of the Fund, which, as mentioned earlier, is Rs. 40,00,00,000.

The above brief account of how the Provident Fund Organisation was established and how it approached its task underlines the importance of advanced planning of all projects in detail, in every aspect—organisation, procedures,

personnel, finances, equipment, supplies, and public co-operation. The administrative difficulties and procedural impediments likely to arise should also be anticipated. These considerations are especially significant in welfare projects which, if held up midway due to bad planning naturally cause intense resentment among the beneficiaries. The story of the provident fund for labour also indicates that it is not sufficient merely to augment our resources ; it is equally important to make the best use of them by intelligent planning and forethought.

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The relationship between the Minister and the civil servants should be—and usually is—that of colleagues working together in a team, co-operative partners seeking to advance the public interest and the efficiency of the Department. The Minister should not be an isolated autocrat, giving orders without hearing or considering arguments for alternative courses ; nor, on the other hand, should the civil servants be able to treat him as a mere cipher. The partnership should be alive and virile, rival ideas and opinions should be fairly considered, and the relationship of all should be one of mutual respect—on the understanding, of course, that the Minister's decision is final and must be loyally and helpfully carried out, and that he requires efficient and energetic service."

—*The Right Hon. Herbert Morrison*
(in 'Government and Parliament')

The Regulation of Forward Markets

W. R. Natu

THERE is a long tradition of forward trading in India going back in the case of some commodities to over a hundred years. Prior to World War II, forward trading was carried on in various agricultural commodities such as cotton, grains, jute, spices, sugar, shellac, etc., and in such mineral and manufactured commodities as bullion, metals, cotton yarn and cloth, and jute goods. During the early years of World War II, the prices of various commodities rose to high levels as a result of short supply and the Government of India issued orders under the Defence of India Rules, prohibiting forward trading in most commodities. During the post-war period, since shortages continued and prices were still ruling high, it was thought desirable to continue the prohibitions, particularly those relating to essential commodities such as raw cotton, foodgrains, edible oilseeds and oils and spices. The prohibitory orders were, therefore, continued under the Essential Supplies Temporary Powers Act (1946) after the lapse of the Defence of India Act. Similar prohibitory orders were issued under the same Act in respect of cottonseed, sugar and *gur*, though the order in respect of *gur* was cancelled in December, 1953. Forward trading in jute goods also was banned in December, 1952, by the West Bengal Government under the West Bengal Jute Goods Act, 1950. With the growing improvement in the supply position in recent years and the consequent downward trend of commodity prices, there has been an increasing demand for the removal of the bans on forward trading.

The working of forward markets is looked upon with considerable suspicion by the general public, who are appalled by the large profits and losses which can be made overnight through transactions relating to goods which are not required to change hands and which have often yet to be produced. In actual fact, however, if the forward markets are organized on proper lines, and are open only to persons with knowledge and experience of the trade, they are able to render important economic services to the community.

The principal benefits of a forward market may be summed up briefly : First, it enables large purchases and sales of goods to be made at short notice in advance of delivery, and even in advance of production. It thereby facilitates the undertaking of lengthy and complex processes of production and manufacture. Secondly, it facilitates the smooth flow of goods from the producer to the consumer without causing the goods to become abnormally cheap during times of harvest or abnormally dear towards the end of the season. It thereby eliminates rapid and violent fluctuations in prices and provides a certain measure of stability. Thirdly, it enables operators to adjust their stock position continuously to changing prospects of supply and demand, and brings about an integrated price structure in different parts of the country and at different moments of time. Finally, it enables buyers and sellers of goods to insure themselves against the uncertainties arising from changes in prices in response to change in market conditions.

While forward markets thus render a distinct service to the community, they are also capable of abuse ; constant vigilance is, therefore, necessary. A forward market tempts persons with insufficient funds and little experience to indulge in large operations through brokers at nominal brokerage charges. When these persons default on their obligations, they not only ruin themselves and their creditors, but also upset the entire market. The professional speculators are, on the other hand, tempted to use their expert knowledge and financial resources to manipulate the market to serve their own interests. The activities of unscrupulous operators lead to frequent crises ending in widespread failure to meet obligations and untold suffering to genuine operators. It is because of such abuses of the freedom of trade that forward markets have got a bad name. It is important, therefore, that forward markets should be permitted only under regulation in the public interest.

II

The earlier attempts at regulation were aimed at tackling particular situations affecting particular commodities, after a crisis had been reached. Whenever excessive speculation in a particular market led to a situation in which prices were skyrocketing or a large number of operators were unable to meet their obligations, the Government was forced to intervene

in order to enforce and bring about an orderly settlement, and at times even to close the market. It was gradually realised that it would be more prudent to maintain constant vigilance and prevent the development of a crisis than try to cure it after it had already developed. The first comprehensive measure for the purpose of continuous regulation was taken in Bombay State in 1947, when the Bombay Forward Contracts Control Act was enacted. The Act was a permissive one and was applied to cotton, oilseeds and bullion. It vested certain regulatory powers in the State Government but did not set up any independent body specifically for exercising them. After Independence, stock exchanges and future markets were included in the Union List of powers under the new Constitution and it was decided to undertake central legislation on the subject. In February, 1950, the Futures Markets Regulation Bill was drafted and was circulated to State Governments, Chambers of Commerce, the Reserve Bank of India, and other interests for eliciting their views. The draft bill was later referred to an expert committee under the Chairmanship of Shri A.D. Shroff, which suggested various modifications. A fresh bill was introduced in Parliament in December, 1950, and after undergoing some changes at the Select Committee stage, it was placed on the Statute Book in December, 1952, as the Forward Contracts (Regulation) Act, 1952. The Act is an enabling measure and its regulatory provisions are applied by notification to particular commodities and areas. It prohibits options and covers mainly what are known as "transferable specific delivery contracts" and "hedge" or "futures contracts". It provides, however, for the inclusion of "non-transferable specific delivery contracts" also in its ambit if the circumstances so warrant. Ordinarily, the regulation is to take place through recognised associations, but these associations have to work under the general supervision and direction of a special statutory authority, *viz.* the Forward Markets Commission.

The distinction made by the Act between non-transferable specific delivery contracts on the one hand and transferable specific delivery contracts or hedge or futures contracts on the other, is of some importance. The distinction rests principally on the conditions relating to the delivery of goods against the contracts and the mode of their settlement.

In non-transferable specific delivery contracts, delivery of goods is a common feature. The goods have to be of a

specified quality and have to be delivered in a specified quantity at a specified destination for a specified price. This type of contract resembles the ready contract except that the delivery of goods takes place after a longer period. Under a transferable specific delivery contract, delivery takes place between the first seller and the last buyer since the contract is transferable from hand to hand, but it has to conform to the same detailed specifications as the non-transferable contract. Hedge or futures contracts, however, do not visualise actual delivery at all, except in a residual sense.

The settlement in a non-transferable specific delivery contract takes place through the payment of the full value of goods by the buyer to the seller. The hedge or futures contracts and transferable specific delivery contracts in so far as the intermediate buyers and sellers are concerned, are, however, settled by the payment of differences between the prices at which the contracts were bought and the prices at which they were sold.

The transferable specific delivery contract thus occupies a position intermediate between the non-transferable specific delivery contract on the one hand and the futures or hedge contract on the other. It has points of resemblance to both but is treated on a par with the futures or hedge contract under the Act as it is not easy, in practice, to distinguish between the two.

The distinction made in the Act between the transferable or hedge contracts and non-transferable specific delivery contracts was the result of a compromise arrived at in Parliament between the school of thought which desired to bring all types of forward contracts under Government regulation and that which pleaded for the maximum freedom being given to the normal channels of trade. In the end it was decided that non-transferable specific delivery contracts which are essentially non-speculative transactions, need not be brought under regulation except where the freedom to trade in this manner was likely to be abused.

III

The responsibility for enforcing the Forward Contracts (Regulation) Act and for regulating forward markets in the whole country is vested in the Forward Markets Commission

established under the provisions of the Act. The functions of the Commission may be grouped under four heads :—

- (1) The Commission carries out exploratory studies for advising the Government whether it would be desirable to apply the Act by notification to particular commodity markets.
- (2) It receives and makes recommendations to Government on the applications made by different associations who ask for “recognition” in respect of forward trading in different commodities and areas.
- (3) It keeps forward markets under constant observation, collects economic and statistical data relating to them and inspects accounts of recognised associations.
- (4) It regulates recognised associations by giving them directions, approving or amending their Articles of Agreement and By-laws, and in abnormal situations, even by superseding their governing bodies and requiring them to suspend their business.

The Commission thus has quasi-judicial as well as executive functions.

The Commission was formally set up in September, 1953, but its earlier months were naturally devoted to house-keeping problems such as securing accommodation, recruiting staff and organizing its office. It laid down its procedure of work in May 1954, and for the purpose of carrying into effect the objects of the Act, drafted the Forward Contracts (Regulation) Rules, 1954, which were gazetted in July, 1954. Since then, the Commission has submitted six reports based on its exploratory studies, making detailed recommendations to Government regarding the desirability of applying the Act by notification to the trade in cotton, castor seed and castor oil, groundnut and groundnut oil, shellac, linseed and linseed oil, and raw jute and jute goods. The recommendations of the Commission contained in five of these reports have already been accepted by Government and action is pending only on its report on raw jute and jute goods.

Section 15 of the Forward Contracts (Regulation) Act

provides that the Central Government may notify that all forward contracts in specified areas in respect of notified goods shall be illegal *except* those entered 'between members of recognised associations or through or with any such member'. Section 17 further empowers the Government to regulate forward contracts in cases to which the provisions of Section 15 are not made applicable.

The Central Government issued a notification on the 30th July, 1954, applying Section 15 of the Act to Indian cotton throughout India. Similar notifications were issued on 25th January, 1955, applying either Section 15 or Section 17 of the Act to a wide range of commodities such as oilseeds and oils, spices, wheat and gram.

After the issue of the notifications, the Commission invited applications from concerned associations dealing in the various commodities to which the Act has been applied and these are at present under its consideration. The Commission submitted a report to Government in March, 1955, on the recognition of associations in respect of forward contracts in cotton. The Government has accepted the main recommendation of the Commission that in addition to the East India Cotton Association, Bombay, for which recognition was recommended on a permanent basis, forward markets may be established in some other centres as well and has decided to make a beginning with two other centres, *viz.* Akola and Indore. The reports of the Commission on the recognition of associations in respect of groundnut and groundnut oil, castor and castor oil, linseed and linseed oil, and cotton seed are expected to be submitted to Government by the end of June 1955.

As a result of the application of Section 15 of the Act to cotton in July, 1954, and castor seeds in January, 1955, the recognition granted earlier by the Government of Bombay to the East India Cotton Association and the Bombay Oilseeds Exchange respectively has been continued and these two markets have come under the regulation of the Commission. The Commission has, however, required the two associations to make a number of modifications in their Articles of Association and trading By-laws designed principally (i) to lay down the channels through which information will flow to the Commission, and (ii) to prevent excessive trading on the part of operators with small means. With a view to achieving

the first objective, the Commission has instituted a system of written contracts and required the members to maintain their records of transactions for a period of three years. It has also prescribed the submission of weekly returns by members showing details of their daily transactions, as also by the associations giving particulars regarding prices, deliveries, surveys, arbitrations, etc. As regards the second objective, the Commission has prohibited partners of member firms from transacting business in their individual capacities and has developed a system of margins requiring the business transacted above a certain minimum limit to be subjected to a progressively increasing payment of deposits. The experience gained in the regulation of these two markets would be of invaluable assistance to the Commission in evolving regulatory measures for other markets that might be opened in the future.

IV

The magnitude and difficulties of the task before the Commission can be best appreciated by following up the various stages of its work. In each of these stages, the Commission has to weigh conflicting considerations and reach a decision in the public interest.

In the first place, the Commission has to examine whether the commodity under study is intrinsically suitable for the organisation of forward trading. The commodity should be capable of being graded and standardised. Its supply should be large enough to prevent its being cornered by unscrupulous persons. It should also have a wide demand so that no single group of buyers, such as processors or exporters, should be able to exercise monopoly power. It should attract an adequate number of operators in the market, willing to deal in the commodity and hold its stocks. It should be able to command ample storage facilities, so that stocks could be held without deterioration in quality for long periods. If after an examination of these factors, the Commission comes to the conclusion that the commodity is not suitable for forward trading, it need not pursue the matter further.

If the commodity is found suitable, the Commission has to consider whether the time is opportune for permitting forward trading in it. It might well be that though the commodity is otherwise suitable, the supply and demand position

may not warrant the opening of a forward market. The Commission has also to take into consideration the size of the current crop, the estimated marketable surplus, the trend of prices at home and abroad, and the restrictions placed by Government on the import and export of the commodity.

If it is decided that forward trading should be permitted in the commodity, the question arises whether it should be permitted at one centre in the country or at many centres.

In the pre-war years when forward trading was free, it used to be conducted at numerous centres, small and big, all over the country. Often, there used to be a number of independent markets in the same town, each run under the auspices of a different trading body. The multiplicity of markets, some of which were conducted without any well-established rules or conventions, frequently led to abnormal situations with consequent hardship to affected parties. With the acceptance of the principle of regulation, it is obvious that markets cannot be permitted to be set up anywhere and a careful selection of the centres has to be made.

In this connection, there are two principal views advanced : (1) unitary control with a single centre of forward trading for each commodity ; and (2) multiple trading through a number of centres, each catering for a particular region.

The main arguments in favour of unitary control are that it simplifies the task of the regulating authority, enforces a uniform basis for all contracts, and secures a wide market for the commodity. Multiple trading, on the other hand, enables hedging facilities to be provided within easy reach and at lower cost to the smaller grower and dealer, and further enables the contracts to be adjusted to the needs of the locality. It is felt that since the smaller markets are likely to be operated by persons who are in genuine need of hedge protection, the operations are likely to be less speculative in character. The choice between one market and many markets is thus a choice between ease of regulation and flexibility in the facilities provided.

The Commission has generally taken the view that a single centre of forward trading for each commodity was not a practical proposition in a country like India where transport and communication facilities have yet to be developed, the needs of different localities vary widely and the chain of

intermediaries between the grower and the consumer is long. In an underdeveloped country, the protection that hedging provides is inadequately appreciated by the smaller growers and dealers. The current quotation of the hedge contract determines the prices paid to the grower all over the countryside and yet the complicated mechanism of the hedge market remains a sealed book to him. The Commission has, therefore, felt that hedging facilities needed to be provided within easy reach of the smaller growers and dealers and that forward markets would, therefore, have to be organised at several centres for meeting the requirements of the more important producing and consuming regions.

The selection of a centre for forward trading has to be made from a number of competing claimants. The factors governing the selection are many and often pull in different directions. The centre selected should be well-connected by rail and road with different producing markets and consuming points. It should be linked with the markets within the region as well as with the other centres of forward trading in the country through a net-work of telephone and telegraph connections. It should command a sufficiently large proportion of the crop of the region within its neighbourhood and should be able to attract additional supplies from other producing areas. It should have important consuming interests such as processors, manufacturers and exporters located within easy distance to ensure a steady demand for the commodity. It should also be a centre of trade in other commodities and should have adequate banking, insurance and storage facilities. It should have a tradition of hedge trading and should possess a class of professional brokers and speculators without whom a hedge market could not function. It should be conveniently situated from the point of the other markets in the region so that its facilities could be utilised not only by its own residents but also by the trading community in the entire region.

Finally, the successful working of the centre selected would depend almost wholly on the availability of a representative association, possessing the necessary experience and resources and capable of discharging its duties in an impartial and responsible manner. The recognition of an association confers upon it a valuable privilege inasmuch as it renders contracts entered into through the agency of other non-recognised associations illegal. It is of the highest importance,

therefore, that this privilege should be exercised solely in the public interest. If such an association is already in existence at the selected centre and has applied for recognition, it could be recommended for the purpose, subject, of course, to its willingness to alter its Articles and By-laws in accordance with the directions of the Commission. If, however, no such association is in existence at the centre, the opening of futures trading would have to be deferred until an association was established. If more than one association has applied for recognition from the centre selected, a choice would have to be made from amongst the competing applicants.

This choice would depend upon various factors. The conditions of incorporation of the association should clearly highlight the public service character of its functions. Its administration should not be entrusted to a managing agency and the dividend distributed by it should be nominal. It should be open to all persons genuinely interested in trading and having the financial resources to do so. It should, at the same time, keep out persons of doubtful reputation and persons having no direct stake in the commodity. The Board of Directors should include a fair representation of the different interests concerned so that it might inspire general confidence among the members and ensure the careful consideration of issues from all points of view. The procedure of trading should be adjusted to the nature of the commodity, the economic conditions of the locality and the requirements of the market. The unit of trading should be fixed at a level which would be within the means of the operators. The settlement of contracts should be effected through an independent clearing house and satisfactory arrangements should be made for the expert survey of the goods tendered and the impartial arbitration of disputes. The measures for preventing over-trading by members should be effective and ample safeguards should be provided for dealing promptly with emergencies. Above all, the association should realise that its business has to be conducted in the larger interests of the community and it should, therefore, be willing to discuss its problems with the regulating authorities and loyally follow their directions.

After the associations have been granted recognition and the markets have begun to operate, the Commission has to maintain a constant watch to see that healthy conditions are maintained, the rules of trading are scrupulously adhered to and the directions given are faithfully carried out. To this

end, it has to organise an enforcement machinery by opening its sub-offices in important zones and setting up its own inspectorate. The contravention of the provisions of the Act involves penalties extending to fine as well as imprisonment, but the very nature of the operations is such that contraventions cannot be easily detected by the normal agencies responsible for the maintenance of law and order. The responsibility for detecting breaches of the provisions of the Forward Markets (Regulation) Act and for bringing offenders to book will, therefore, devolve largely on the technical and inspecting staff of the Commission.

V

The regulation of forward contracts is a highly complex task requiring continuous watchfulness of the markets and sympathetic understanding of the ways of trading. The purpose of regulation is to avoid undue harassment to genuine trade and yet secure safe and orderly conditions in the market. The existence of a well-regulated market functioning under the law discourages resort to the illegal markets which are otherwise rampant and not easy to suppress. The primary machinery for regulation is the association of the trading interests themselves. The role of the Commission is mainly supervisory. Its function is to ensure that the association discharges its duties in time and in an impartial and equitable manner. It collects for this purpose information of various sorts from various sources, considers all suggestions received, investigates complaints and redresses grievances. The Commission tries to take preventive measures in advance to avoid taking punitive measures later. It aims at preventing crises from developing by remaining constantly on guard.

The Commission believes in working unobtrusively so that the actual regulation could be carried on by the recognised associations themselves under its advice. The implications of the Act have not, however, yet been fully understood by all the interests concerned. Regulation of forward trading on an all-India scale is being attempted for the first time. The associations have to adjust their ways to the new requirements. The Commission also has to break new ground, create its own procedures and train its technical staff. It is hoped that in course of time these difficulties would be surmounted and that the associations would develop a high sense of responsibility to render it unnecessary for the Commission to use its powers.

EDITORIAL NOTES

In launching this, the second issue of the journal, we acknowledge with gratitude the many expressions of appreciation and encouragement received by us after the publication of the first issue. It will be our best endeavour to continue in the future to earn and to deserve the same enthusiastic support.

We are fortunate again in having a contribution from Mr. Paul H. Appleby; and our special thanks are due to the Political Quarterly and to Mr. Attlee for kindly permitting the reproduction of the article on "Civil Servants, Ministers, Parliament and the Public".

Brief particulars about other contributors to this issue are given immediately after the table of contents.

A word of explanation may be added for the benefit of those who may feel that the journal should only print original work and that to publish matter which has already appeared elsewhere indicates inadequacy of editorial resources. A journal which aims at providing a vehicle for the expression, exchange and dissemination of news and views bearing upon any subject must, to some extent, "review" what has already been said or written in other places and at other times. For the sharing and spreading of knowledge and understanding, the "*what*" and the "*how*" are of supreme importance; *who* and *where* are at best of secondary consequence. If, therefore, we come across anything said or written anywhere which will help materially in spreading knowledge or understanding of Public Administration among the readers of this journal, we deem it our duty to pass the benefit on.

With this issue we have opened a new department for book reviews and notices and from the next issue we hope to open a section for brief recording of news-items of important events and developments in the field of Public Administration in India and abroad.

Our policy continues as before and we repeat our invitation to readers and well-wishers to send in contributions. Whether they come as articles, reviews, letters or news, they will all receive cordial consideration.

—Editor

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“Planning is not a franchise or immunity which lies outside the jurisdiction of free discussion and voluntary compromise. If the State adds to itself economic organs, it does so only in order to achieve a fuller and more informed discussion, and not in order to devolve upon them the burden of decision. If it encourages the leaders, directors, and experts in the various economic fields to do the work of self-planning, it does not remit that work to their unfettered discretion ; it does not abdicate its own duty of criticism and supervision ; nor does it release economic self-planning and self-government from their necessary immersion in the general and total flood of political self-government.....”

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“.....the democratic State (is) not a thing or structure which is to be adjusted to the march of economic progress, but rather a spirit and a power which is to be maintained in its own true nature and individuality. The democratic State is not a Church, and democracy is not a religion. Neither, again, is democracy ‘a way of life’, or a general body and scheme of culture. It is simply itself, and simply a mode of human government ; and Churches and cultures exist by its side in their own right and with their own roots.”

—Ernest Barker
(in ‘Reflections on Government’)

Indian Institute of Public Administration

DIRECTOR'S QUARTERLY REPORT

I. Elections to the Executive Council for 1955-56

In pursuance of the provisions of rules 14 and 15 of the Rules of the Institute, elections to the Executive Council for 1955-56 were held in February-March, 1955 and the following were declared elected to the Council :—

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| 1. Shri V. T. Krishnamachari | Deputy Chairman, Planning Commission, Government of India. |
| 2. Shri Y. N. Sukthankar | Cabinet Secretary and Secretary, Planning Commission, Government of India. |
| 3. Shri H. M. Patel | Secretary, Dept. of Economic Affairs, Ministry of Finance, Government of India. |
| 4. Shri Humayun Kabir | Secretary and Educational Adviser, Ministry of Education, Government of India. |
| 5. Shri N. K. Sidhanta | Member, Union Public Service Commission. |
| 6. Shri B. Venkatappiah | Executive Director, Reserve Bank of India, Bombay. |
| 7. Prof. S. V. Kogekar | Head of the Dept. of Economics and Politics, Fergusson College, Poona. |
| 8. Shri S. Ranganathan | Joint Secretary, Ministry of Works, Housing & Supply, Government of India. |
| 9. Prof. V. K. N. Menon | University Professor of Politics and Director, Institute of Public Administration, Patna University. |
| 10. Shri Din Dayal Sharma | Secretary, New Delhi Municipal Committee. |
| 11. Shri H. C. Mathur | Member, Rajya Sabha. |
| 12. Shri S. N. Mozumdar | Managing Director, Hindustan Steel Co., Ltd. |
| 13. Shri Sri Ram Sharma | Director, Institute of Public Administration, Sholapur. |

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| 14. Shri M. K. Mathulla | Officer on Special Duty and ex-officio Joint Secretary, Ministry of Production, Govt. of India. |
| 15. Shri Din Diyal | Principal, Municipal Boys Higher Secondary School, New Delhi. |

The result of the election was announced at the Annual General Meeting held on the 1st April, 1955. At this meeting **Shri Jawaharlal Nehru**, Prime Minister of India, was unanimously elected as the President of the Institute and **Shri S. B. Bapat** as the Honorary Treasurer for the year 1955-56.

The elected members of the new Council later co-opted the following five additional members :—

Co-opted Members

Shri G. L. Bansal	Member, Lok Sabha and Secretary-General, Federation of Indian Chambers of Commerce and Industry, New Delhi.
Prof. R. Bhaskaran	Head of the Department of Politics and Public Administration, University of Madras.
Shri N. V. Gadgil	Member, Lok Sabha.
Dr. Shrimati Seeta Parmanand	Member, Rajya Sabha.
Shri L. P. Singh	Chief Secretary to the Government of Bihar.

The Executive Council thus constituted has since elected the following further office-bearers :—

Chairman of the Executive Council

Shri V. T. Krishnamachari	Deputy Chairman, Planning Commission, Government of India.
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Vice-Presidents of the Institute

Pandit Govind Ballabh Pant	Minister for Home Affairs Government of India.
Dr. B. C. Roy	Chief Minister, West Bengal.
Shri C. D. Deshmukh	Minister for Finance, Government of India.

Pandit H. N. Kunzru

Member, Rajya Sabha. Member of the States Re-organisation Commission. President of the Indian Council of World Affairs.

Shri Gurmukh Nihal Singh

Chief Minister, Delhi State.

The new Executive Council thus represents a wide and varied range of interests and experiences.

II. Prof. D. G. Karve

Prof. D. G. Karve, Director of the Institute since its inception, gave up his office with effect from 5th June, 1955. Pending the appointment of a full-time Director, the Executive Council has empowered Shri S. B. Bapat, Honorary Treasurer, to discharge the duties of the Director.

Prof. D. G. Karve—a veteran economist and philosopher-administrator—has been associated with the Institute since 1953 when the idea of setting up the Institute was first actively considered. Indeed, but for the work done by him as one of the two joint organisers, the Institute might never have come into being. The Institute's present Programme of Action is largely the result of Prof. Karve's planning and efforts. The contribution made by Prof. Karve to the Institute's work will be long remembered. Though Prof. Karve is no more the Director, he is still an active member and his guidance and leadership will continue to be available to this organisation.

III. Oxford Round Table

Shri S. B. Bapat, Honorary Treasurer and Director pro tem., will represent the Institute at the Oxford Round Table of the International Institute of Administrative Sciences, to be held from July 10 to 15, 1955. The major subjects for discussion, of interest to India, at the Round Table are :—

1. Common factors in the management of public and private enterprises.
2. Ways to increase the efficiency of public economic enterprises—Advances in business administration and public administration most applicable to public economic enterprises.

IV. Information and Reference Services

The Institute's library has collected about 800 books bearing on several aspects of public administration. Contacts have been established with important foreign libraries and universities. Reports and documents on the working of the Central and State Government Departments are being obtained. The next stage would be to build up bibliographies and documentation on Indian administration.

V. Monograph on Recruitment and Training

At the request of the Public Administration Clearing House, Chicago, Shri S. B. Bapat is preparing, for the International Institute of Administrative Sciences, a monograph on 'Public Services in India : Organisation, Recruitment and Training'.

VI. Publications

The Institute has published, in a booklet form, report of a talk on the 'Problems of Recruitment and Training of Civil Servants in the U.K.', given on the 5th March, 1955 by Sir Paul Sinker, formerly the First Civil Service Commissioner in the U. K.

".....Who should study public administration ? Everyone—but in varying ways and with varying intensity. The basic reason is *understanding*. All people in a civilized society need an appreciation of the role of administration in their culture because, willy-nilly, administration is an important aspect of their lives, from the nearest physical aspect to the remotest spiritual or intellectual aspect. *All* persons in a civilized society are consumers of administration, and they should be *good* consumers, prepared to react intelligently and appreciatively, or with intelligent criticism."

"Nearly all persons in a civilized society are also participants in administration, in varying degree and manner. And *according to degree and manner* they need to know what has been learned about administration, that is to say, the technical or professional lore....."

—DWIGHT WALDO
(in 'The Study of Public Administration')

BOOK REVIEWS

GOVERNMENT AND PARLIAMENT, A Survey from the Inside;
HERBERT MORRISON. London, Geoffrey Cumberlege, Oxford University Press, 1954. 363p. 21s.

The voice of experience is rarely recorded in the literature of Public Administration. Even when it does find expression, it is usually in the form of memoirs intended more for the entertainment of the general reader than for the information of the serious inquirer. In no other professional field is the description and critical appraisal of the problems and processes involved left so much to the outside observer and helped so little by the inside practitioner. Mr. Morrison's book would have been of real value even if its only merit had been that it was written by someone who could say: "I was there—I saw and did these things myself—This is what I think about it all." In this case the voice is backed by the authority of one who has for decades played a leading role both as a member of the Government and in the Opposition in the cradle of democracy and the Mother of Parliaments; and the voice has expressed itself in language of remarkable clarity, simplicity and candour. The resultant record has indeed become invaluable. In all countries which, like India, have adopted a form of Government based essentially on the British model, this book should be looked upon as "required reading" for students of political science and public administration as well as for legislators, civil servants and aspirants to political offices. All the questions which any of these might wish to know have been anticipated and answered by Mr. Morrison and no aspect of the *practical* working of the machinery of Parliament and Government has been overlooked.

In fact, the survey has an even wider sweep. The Chapters on "Socialisation of Industry" and "Economic Planning and Controls" form a concise and yet comprehensive presentation of the policies and performance of the Labour Government of 1945-51. These Chapters should enrich the knowledge not only of administrationists but also of historians, economists and planners generally.

The book falls into three main divisions. The first four Chapters deal with "The Cabinet and Ministers" and tell everything anybody should wish to learn on the subject. They start with simple things, such as, how often the British Cabinet meets, how the decisions are taken and recorded, etc., and end with a detailed discussion of some of the most important and controversial points relating to Cabinet Government: namely, the optimum size and composition of the Cabinet and the problem of securing effective co-ordination between groups of departments with *touching* and possibly conflicting interests, without detriment to the effective enforcement of the Ministers' answerability to Parliament. The description of the abortive experiment of having "overlord" Ministers tried in the Churchill Government (1951-53) will be of special interest to Indian readers who are aware of the somewhat similar suggestions included

in the late Shri N. Gopalaswamy Ayyangar's proposals for the reorganisation of the machinery of the Government of India. There is little doubt that if the proposal to secure "decentralised co-ordination" through co-ordinating Ministers placed in charge of groups of departments had been accepted in India, the British experience would have been repeated here.

The next seven Chapters are devoted to a complete description of the functioning and inter-relations of the Monarchy, the Parliament and the Party System. Of particular significance is Mr. Morrison's account of the part played by the late King George V in the formation of National Government in 1931—an episode which is often touched upon in modern textbooks on political science but seldom fully explained. The Estimates Committees and the Public Accounts Committees of the Indian Parliament and the State Legislatures might find on pages 148 and 149 some useful guidance not only on what similar committees of the British House of Commons do, but also on what they do *not* do.

The third part of the book entitled "Administration" begins with the two Chapters already referred to on "Socialisation of Industry" and "Economic Planning and Controls". Besides explaining the how and why of the adoption of these measures by the Labour Government as a means to an end, Mr. Morrison has also given a clear and useful analysis of the very difficult problem of balancing reasonable autonomy for the State enterprises against the preservation of Ministerial responsibility to Parliament.

Parts of the final Chapter on "Ministers and Civil Servants" might well be printed separately as a self-contained hand-book for the guidance of Ministers and Civil Servants in all the Parliamentary Democracies in the world—especially the younger ones. Many have written on this topic but few have done it so ably, effectively and entertainingly.

S. B. Bapat

TRAINING MANAGERS IN THE PUBLIC SERVICES. *London, Allen & Unwin. 1955. 84p. 7/6d. Published for the Royal Institute of Public Administration, London.*

During 1954 the Royal Institute of Public Administration, London, organised a series of lectures to give an account of the training schemes developed in the various branches of the public services. These lectures have been brought together in this volume and prove that a great deal of serious and original thinking is going on in the different Ministries, Departments and autonomous Corporations on the subject of how management training should be organised and managerial ability developed from within.

The editors have also included two items which were not part of the lecture series. The first is a detailed account of the training programme for managerial staff in the service of the London County Council and the other is an account of "Management development in the U. S. A." given by Colonel Urwick, who was invited by the American

Management Association, to make special investigation in this field. These two are in some ways the most rewarding chapters in this volume and merit careful perusal by all who are interested in the problem of training for the administrative cadres in India.

All in all, this volume is a valuable addition to the literature on the subject and the Royal Institute of Public Administration are to be congratulated on the service they have rendered by its publication.

S. B. B.

THE FOREIGN OFFICE; LORD STRANG. *London, Allen & Unwin ; New York, Oxford University Press, 1955. 226p. (New Whitehall Series.) 15s.*

Written by experts with long and varied experience, the book is the second volume in the New Whitehall Series sponsored by the Royal Institute of Public Administration. The first volume, it will be recalled, dealt with the Home Office. The objective of the series is to present an authoritative, up-to-date and readable survey of the Central Government Departments in the United Kingdom.

"The Foreign Office" will be of interest not only to those in the business of diplomacy but also to students of the broader aspects of political science and of international affairs. We are accustomed to think of diplomats either in the 18th century context as representatives "who are sent abroad to lie for the benefit of their country"; or in the present day belief that representation abroad involves mainly appearing at public ceremonies or attending a round of cocktail parties and receptions. There is also a tendency to think of officials serving in this branch of the Government as being like "the fountains of Trafalgar Square which play from 10 to 4". Lord Strang's treatment of the subject in the book under review dispels these popular notions about diplomacy, and puts in correct perspective the heavy and responsible burdens placed on the Foreign Office and its representatives abroad.

Prior to 1943, there existed a certain rigidity in the structure of the British Foreign Service. Officers belonged either to the Diplomatic, the Consular or the Commercial Service and very seldom was there a transfer from one service to another. This sort of caste system became an anachronism, especially as recruits to the Foreign Service could no longer be drawn solely from the landed gentry or from men who were at public schools or the Universities of Oxford and Cambridge. The present Prime Minister, Mr. Eden, was responsible for the 1943 reforms which were calculated to bring the diplomatic service more in line with the changing pattern of international affairs. It was felt that the diplomatic service should not represent the small circle that it did, but rather the interest of the nation as a whole. The modern diplomat, in order to form a properly balanced judgment of world events, had to be of the calibre to realise that economics and finance had become "inextricably interwoven with politics and that an understanding of social problems and labour movements was indispensable".

Lord Strang, the principal author of this book, was largely responsible for putting these reforms into effect. We have, therefore, in the book under

review, for the first time, a first-hand account of the workings of these reforms. In addition, we get a comprehension of the various complex factors which have to be taken into account in the formulation of British Foreign Policy, and, what is more important, the execution of this policy abroad in circumstances that are swiftly changing.

The book is divided into four parts. The first part gives a preliminary sketch of the nature and functions of the Foreign Service in broad outline and goes into the reasons why the Service has grown. The second part deals with the organisation, size and cost of the service as well as the recruitment and training and conditions of service. The third part contains a vivid account of the life and work of officials, both at the Foreign Office and in the Foreign Service establishments abroad. The fourth part of the book, which is perhaps the most important, covers past and present diplomatic practice, the qualifications desirable in members of the Foreign Service and the present problems and possible future trends in diplomacy.

This book is of special interest to us in India. Not only is our Foreign Service a new service but, to some extent, it has been fashioned in the tradition of its British counterpart. The chapter dealing with qualifications desirable in members of the service—of interest to diplomats from all parts of the world—deserves special mention. While emphasising the various qualities necessary in a diplomat, as for example, a balanced intellectual approach, an unending amount of patience and tact, a degree of courage—both physical and moral, Lord Strang lays the greatest stress on what he calls “moral qualities and character” and he explains these as follows :

“Unless he (the diplomat) has also an unassailable integrity of mind—which connotes both honesty and moral courage—since it usually requires a moral courage to be honest—it will avail him little to possess all the purely intellectual gifts in large measures.”

The book is written in an easy style and is, surprisingly enough, free from official verbiage and the abstruseness and inhibitions normally associated with the official mind.

I. J. Bahadur Singh

ADMINISTRATIVE PRACTICE OF SOCIAL INSURANCE.

Geneva, *International Labour Office*, 1955. 86 p. (*Studies and Reports*, new series, No. 4.) \$1. 6s.

The International Labour Organisation which provides a forum at the international level, for the enunciation and elaboration of principles of social justice has brought out yet another of its excellent manuals. The administration of social insurance presents certain special problems in view of the large number of its beneficiaries and the variety of social contingencies with which it deals. There is also the need for economy and expeditious disposal of business keeping in view the convenience of those concerned. The present booklet surveys administrative practice in the traditional social contingencies of sickness, maternity, employment, injury, invalidity, old age and death. It deals successively with the

identification and registration of insured persons, registration of employers, methods of collecting contributions, maintenance of individual records of insured persons and checks and statistics as corollary to good administration. Although administration procedures vary from country to country, this study without being selective presents a critical appraisal of certain reasonable and well-tried methods of approach. The publication will be particularly useful to countries in South East Asia which are in the birth pangs of social insurance legislation. Hitherto the information, though available to social security carriers, was scattered in various statutes, regulations and publications. The International Labour Organisation has done useful work in bringing together the main practices in vogue indicating their advantages and disadvantages. In adopting any of the procedures, the point naturally to be borne in mind is that blind imitation of the methods employed in the West may not be equally successful in Asian countries. The nature of communications, the distances involved, the scattered nature of the insured population, the level of education and calibre of the personnel available for these duties—all require to be carefully evaluated. With us in India the need to avoid undue mechanisation which may curtail an expanding field of employment in social security or bring unemployment in its wake is of crucial importance.

V. M. Albuquerque

INDIAN AFFAIRS RECORD; ed. S. L. POPLAI. Calcutta, Orient Longmans, Vol. I, No. 1, February 1955. 23 p. Rs. 1/8/- . Annual Rs. 18/-.

The *Record* is a monthly journal published under the auspices of the Diwan Chand Indian Information Centre, New Delhi, in co-operation with the Indian Council of World Affairs. Its regular features include (1) short notes on legislation, foreign affairs, parties and politics, economic development and policy, and social and cultural progress; (2) a summary of press opinion on foreign affairs, political developments and economic policy; (3) a chronology of important events; (4) a list of books, articles and documents for reference purposes; and (5) two short articles of topical interest.

At a time when significant developments are taking place in the political, economic and social life in India, it is difficult for the student of Indian affairs to keep full track of all that is happening around him—happening with an astonishing rapidity. The usefulness of a journal that seeks to record and classify these developments and provide the necessary documentation is obvious. The *Record* is, therefore, a very timely publication. It is to be hoped that it will gradually enlarge the scope and detail of the information given, especially under the heads 'Chronology' and 'Press Opinion'. In these matters it could with advantage follow the standards set by 'The World Today' and 'Chronology of International Events' published by the Royal Institute of International Affairs, London. We wish the venture every success.

—B. S. N.